

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—119th Cong., 2d Sess.

H. R. 6644

To increase the supply of housing in America, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. SCOTT of South Carolina (for
himself and Ms. WARREN)

Viz:

1 Strike all after the enacting clause and insert the fol-

2 lowing:

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

4 (a) SHORT TITLE.—This Act may be cited as the

5 “21st Century ROAD to Housing Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for

7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—OPPORTUNITIES FOR HOUSING

Sec. 101. Reforms to housing counseling and financial literacy programs.

Sec. 102. Federal guidelines for point-access block buildings.

Sec. 103. Exemption on construction or modification of residential housing located on an infill site.

Sec. 104. Database of publicly owned land.

Sec. 105. FHA Small-Dollar Mortgages.

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- Sec. 106. Temperature Sensor Pilot Program.
- Sec. 107. Housing supply frameworks.

TITLE II—BUILDING MORE IN AMERICA

- Sec. 201. Increasing housing in opportunity zones.
- Sec. 202. Whole-Home Repairs Act.
- Sec. 203. Community Investment and Prosperity Act.
- Sec. 204. Addition of affordable housing construction as an eligible activity.
- Sec. 205. Better Use of Intergovernmental and Local Development (BUILD) Housing Act.
- Sec. 206. Unlocking Housing Supply Through Streamlined and Modernized Reviews Act.
- Sec. 207. Grants for planning and implementation associated with affordable housing.
- Sec. 208. Innovation Fund.
- Sec. 209. Accelerating Home Building Act.
- Sec. 210. Revitalizing Empty Structures Into Desirable Environments (RESIDE) Act.
- Sec. 211. Housing Affordability Act.
- Sec. 212. Rental Assistance Demonstration Program.
- Sec. 213. Build Now Act.

TITLE III—MANUFACTURED HOUSING FOR AMERICA

- Sec. 301. Housing Supply Expansion Act.
- Sec. 302. Modular Housing Production Act.
- Sec. 303. Property Improvement and Manufactured Housing Loan Modernization Act.
- Sec. 304. PRICE Act.

TITLE IV—ACCESSING THE AMERICAN DREAM

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

TITLE V—PROGRAM REFORM

- Sec. 501. HOME Investment Partnerships Reauthorization and Reform Act.
- Sec. 502. Rural Housing Service Reform Act.
- Sec. 503. Incentivizing local solutions to homelessness.
- Sec. 504. Reforming Disaster Recovery Act.
- Sec. 505. New Moving to Work cohort.

TITLE VI—VETERANS AND HOUSING

- Sec. 601. Military Service Question.
- Sec. 602. Housing Unhoused Disabled Veterans Act.
- Sec. 603. Veterans Affairs Loan Informed Disclosure (VALID) Act.

TITLE VII—OVERSIGHT AND ACCOUNTABILITY

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

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Sec. 704. Appraisal Modernization Act.

TITLE VIII—ACCOUNTABILITY, COORDINATION, STUDIES, AND
REPORTING

Sec. 801. HUD–USDA–VA Interagency Coordination Act.

Sec. 802. Streamlining Rural Housing Act.

Sec. 803. Improving self-sufficiency of families in HUD-subsidized housing.

Sec. 804. GAO studies.

Sec. 805. Improving public housing agency accountability.

TITLE IX—STRENGTHENING COMMUNITY BANKS’ ROLE IN
HOUSING

Sec. 901. Community bank deposit access.

Sec. 902. Keeping deposits local.

Sec. 903. Tailored regulatory updates for supervisory testing.

Sec. 904. Credit union board modernization.

Sec. 905. Systemic risk authority transparency.

Sec. 906. Advancing the mentor-protégé program for small financial institutions.

Sec. 907. American access to banking.

Sec. 908. Promoting new bank formation.

Sec. 909. Rural depositories revitalization study.

TITLE X—HOME-OWNERSHIP FOR MAIN STREET AMERICA

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

TITLE XI—CENTRAL BANK DIGITAL CURRENCY

Sec. 1101. Central bank digital currency.

TITLE XII—MISCELLANEOUS

Sec. 1201. Severability.

Sec. 1202. No additional funds authorized.

1 TITLE I—OPPORTUNITIES FOR
2 HOUSING

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

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

7 (1) in subsection (a)(4)(C), by striking “ade-
8 quate distribution” and all that follows through
9 “foreclosure rates” and inserting “that the recipi-

1 ents are geographically diverse and include organiza-
2 tions that serve urban or rural areas”;

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

5 “(6) REVIEWS.—The Secretary—

6 “(A) may conduct periodic reviews; and

7 “(B) shall conduct performance reviews of
8 all organizations receiving assistance under this
9 section that—

10 “(i) consist of a review of the organi-
11 zation’s compliance with all program re-
12 quirements; and

13 “(ii) may take into account the orga-
14 nization’s aggregate counselor performance
15 under paragraph (7)(B).

16 “(7) CONSIDERATIONS.—

17 “(A) COVERED MORTGAGE LOAN DE-
18 FINED.—In this paragraph, the term ‘covered
19 mortgage loan’ means any loan which is secured
20 by a first or subordinate lien on residential real
21 property (including individual units of con-
22 dominiums and housing cooperatives) designed
23 principally for the occupancy of between 1 and
24 4 families that is—

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

5 “(ii) guaranteed under section 184 or
6 184A of the Housing and Community De-
7 velopment Act of 1992 (12 U.S.C. 1715z-
8 13a, 1715z-13b).

9 “(B) COMPARISON.—For each counselor
10 employed by an organization receiving assist-
11 ance under this section for prepurchase housing
12 counseling, the Secretary may consider the per-
13 formance of the counselor compared to the de-
14 fault rate of all counseled borrowers of a cov-
15 ered mortgage loan in comparable markets and
16 such other factors as the Secretary determines
17 appropriate to further the purposes of this sec-
18 tion.

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

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

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

7 “(C) suspend an individual certification if
8 a counselor fails to demonstrate competence
9 after not fewer than 2 retesting opportunities
10 under subparagraph (B).”;

11 (3) in subsection (i)—

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

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

16 “(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—

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

1 “(ii) in accordance with regulations
2 issued by the Secretary.

3 “(B) NOTICE.—The Secretary shall give
4 an organization or entity receiving covered as-
5 sistance not less than 60 days prior written no-
6 tice of any denial of renewal under this para-
7 graph, and the determination of renewal shall
8 not be finalized until the end of that notice pe-
9 riod.

10 “(C) INFORMAL CONFERENCE.—If re-
11 quested in writing by the organization or entity
12 within the notice period described in subpara-
13 graph (B), the organization or entity shall be
14 entitled to an informal conference with the Dep-
15 uty Assistant Secretary of Housing Counseling
16 on behalf of the Secretary at which the organi-
17 zation or entity may present for consideration
18 specific factors that the organization or entity
19 believes were beyond the control of the organi-
20 zation or entity and that caused the failure to
21 comply with program requirements, such as a
22 lack of lender or servicer coordination or com-
23 munication with housing counseling agencies
24 and individual counselors.”; and
25 (4) by adding at the end the following:

1 “(j) OFFERING FORECLOSURE MITIGATION COUN-
2 SELING.—

3 “(1) COVERED MORTGAGE LOAN DEFINED.—In
4 this subsection, the term ‘covered mortgage loan’
5 means any loan which is secured by a first or subor-
6 dinate lien on residential real property (including in-
7 dividual units of condominiums and housing co-
8 operatives) or stock or membership in a cooperative
9 ownership housing corporation designed principally
10 for the occupancy of between 1 and 4 families that
11 is—

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

15 “(B) guaranteed under section 184 or
16 184A of the Housing and Community Develop-
17 ment Act of 1992 (12 U.S.C. 1715z–13a,
18 1715z–13b);

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

21 “(D) made, guaranteed, or insured by the
22 Department of Agriculture.

23 “(2) OPPORTUNITY FOR BORROWERS.—A bor-
24 rower with respect to a covered mortgage loan who
25 is 30 days or more delinquent on payments for the

1 covered mortgage loan shall be given an opportunity
2 to participate in available housing counseling.

3 “(3) COST.—If the requirements of sections
4 202(a)(3) and 205(f) of the National Housing Act
5 (12 U.S.C. 1708(a)(3), 1711(f)) are met, the fair
6 market rate cost of counseling for delinquent bor-
7 rowers described in paragraph (2) with respect to a
8 covered mortgage loan described in paragraph
9 (1)(A) shall be paid for by the Mutual Mortgage In-
10 surance Fund, as authorized under section 203(r)(4)
11 of the National Housing Act (12 U.S.C.
12 1709(r)(4)).”.

13 **SEC. 102. FEDERAL GUIDELINES FOR POINT-ACCESS BLOCK**
14 **BUILDINGS.**

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

22 (b) CONTENTS.—When developing the guidelines
23 under subsection (a), the Secretary of Housing and Urban
24 Development shall consider—

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

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

7 (3) flexibility for diverse consumer needs, in-
8 cluding family sizes, unit configurations, and acces-
9 sibility;

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

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

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

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

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

1 (c) COORDINATION WITH THE INTERNATIONAL
2 CODE COUNCIL.—The Secretary of Housing and Urban
3 Development shall coordinate with the International Code
4 Council to encourage the International Code Council to
5 incorporate provisions about point-access block buildings
6 into the International Building Code.

7 (d) GRANTS.—

8 (1) IN GENERAL.—The Secretary of Housing
9 and Urban Development may establish a program to
10 award competitive grants to eligible entities to im-
11 plement pilot projects that evaluate, demonstrate, or
12 validate the safety, feasibility, or cost-effectiveness of
13 point-access block residential buildings.

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

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

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

25 (g) DEFINITIONS.—In this section:

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

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

16 **SEC. 103. EXEMPTION ON CONSTRUCTION OR MODIFICA-**
17 **TION OF RESIDENTIAL HOUSING LOCATED**
18 **ON AN INFILL SITE.**

19 (a) EXEMPTION.—In providing assistance under sec-
20 tion 501, 502, 504, 515, 533, or 538 of the Housing Act
21 of 1949 (42 U.S.C. 1471, 1472, 1474, 1485, 1490m, or
22 1490p-2) for the construction or modification of residen-
23 tial housing located on an infill site, the Secretary of Agri-
24 culture shall not be required to carry out any study or
25 report on the environmental effects of such assistance.

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

7 (1) determines whether the implementation of
8 this section—

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

13 (B) reduced the administrative cost of pro-
14 viding such assistance;

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

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

20 (c) DEFINITIONS.—In this section:

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

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

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

4 (B) does not include—

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

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

16 (iii) a greenfield.

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

18 (a) IN GENERAL.—Section 104(b) of the Housing
19 and Community Development Act of 1974 (42 U.S.C.
20 5304(b)) is amended—

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

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

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

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

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

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

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

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

13 “(27) the creation and maintenance of a data-
14 base of land as required under section 104(b)(7).”.

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

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

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

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

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

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

10 (A) down payments;

11 (B) closing costs;

12 (C) appraisals; and

13 (D) title insurance;

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

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

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

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

1 (2) analyzes risks of the pilot program to the
2 solvency of the Mutual Mortgage Insurance Fund;

3 (3) includes data with respect to—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (b) ELIGIBILITY.—

5 (1) IN GENERAL.—The Secretary of Housing
6 and Urban Development shall, not later than 180
7 days after the date of enactment of this Act, estab-
8 lish eligibility criteria for public housing agencies
9 and owners of covered federally assisted rental dwell-
10 ing units to participate in the pilot program estab-
11 lished pursuant to subsection (a).

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

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

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

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

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

5 (d) COLLECTION OF COMPLAINT RECORDS.—

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

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

17 (e) DATA COLLECTION.—

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

1 (2) PERSONALLY IDENTIFIABLE INFORMA-
2 TION.—The Secretary of Housing and Urban Devel-
3 opment shall, not later than 180 days after the date
4 of enactment of this Act, establish standards for the
5 protection of personally identifiable information col-
6 lected during the pilot program by public housing
7 agencies, owners of federally assisted rental dwelling
8 units, and the Secretary.

9 (f) PILOT PROGRAM EVALUATION.—

10 (1) INTERIM EVALUATION.—Not later than 12
11 months after the establishment of the pilot program
12 under this section, the Secretary of Housing and
13 Urban Development shall publicly publish and sub-
14 mit to Congress a report that—

15 (A) examines the number of temperature-
16 related complaints and temperature-related vio-
17 lations in federally assisted rental dwelling
18 units with temperature sensors, disaggregated
19 by temperature sensor technology and climate
20 region—

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

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

1 (B) identifies any barriers to full utility of
2 temperature sensor capabilities, including
3 broadband internet access and tenant participa-
4 tion.

5 (2) FINAL EVALUATION.—Not later than 36
6 months after the conclusion of the pilot program es-
7 tablished by the Secretary of Housing and Urban
8 Development under this section, the Secretary shall
9 publicly publish and submit to Congress a report
10 that—

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

17 (i) that occurred before the installa-
18 tion of such sensor; and

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

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

1 (C) compares the utility of various tem-
2 perature sensor technologies based on—
3 (i) climate zones;
4 (ii) cost;
5 (iii) features; and
6 (iv) any other factors identified by the
7 Secretary.

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

13 (h) SUNSET.—The pilot program established under
14 this section shall terminate on the date that is 3 years
15 after the date of enactment of this section.

16 (i) DEFINITIONS.—In this section:

17 (1) APPROVED TEMPERATURE SENSOR.—The
18 term “approved temperature sensor” means an
19 internet capable temperature reporting device able to
20 measure ambient air temperature to the tenth de-
21 gree Fahrenheit and Celsius selected from a list of
22 such devices approved in advance by the Secretary
23 of Housing and Urban Development.

24 (2) ASSISTANCE.—The term “assistance”—

1 (A) means any grant, loan, subsidy, con-
2 tract, cooperative agreement, or other form of
3 financial assistance; and

4 (B) does not include the insurance or guar-
5 antee of a loan, mortgage, or pool of loans or
6 mortgages.

7 (3) COVERED FEDERALLY ASSISTED RENTAL
8 DWELLING UNIT.—The term “covered federally as-
9 sisted rental dwelling unit” means a residential
10 dwelling unit that is made available for rental and
11 for which assistance is provided, or that is part of
12 a housing project for which assistance is provided,
13 under—

14 (A) the program for project-based rental
15 assistance under section 8 of the United States
16 Housing Act of 1937 (42 U.S.C. 1437f);

17 (B) the public housing program under the
18 United States Housing Act of 1937 (42 U.S.C.
19 1437 et seq.);

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

23 (D) the program for supportive housing for
24 persons with disabilities under section 811 of

1 the Cranston-Gonzalez National Affordable
2 Housing Act (42 U.S.C. 8013).

3 (4) OWNER.—The term “owner” means—

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

12 (B) with respect to the public housing pro-
13 gram under the United States Housing Act of
14 1937 (42 U.S.C. et seq.), a public housing
15 agency or an owner entity, as those terms are
16 defined in section 905.108 of title 24, Code of
17 Federal Regulations, of public housing units;

18 (C) with respect to the program for sup-
19 portive housing for the elderly under section
20 202 of the Housing Act of 1959 (12 U.S.C.
21 1701q), a private nonprofit organization, as de-
22 fined under subsection (k)(4) of that section;
23 and

24 (D) with respect to the program for sup-
25 portive housing for persons with disabilities

1 under section 811 of the Cranston-Gonzalez
2 National Affordable Housing Act (42 U.S.C.
3 8013), a private nonprofit organization, as de-
4 fined under subsection (k)(6) of that section.

5 **SEC. 107. HOUSING SUPPLY FRAMEWORKS.**

6 (a) DEFINITIONS.—In this section:

7 (1) AFFORDABLE HOUSING.—The term “afford-
8 able housing” means housing for which the monthly
9 payment is not more than 30 percent of the monthly
10 income of the household.

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

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

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

21 (5) STATE ZONING FRAMEWORK.—The term
22 “State zoning framework” means the State legisla-
23 tion or State agency and department procedures, or
24 such legislation or procedures in an insular area of
25 the United States, enabling local planning and zon-

1 ing authorities and establishing and guiding related
2 policies and programs.

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

5 (1) IN GENERAL.—Not later than 3 years after
6 the date of enactment of this Act, the Assistant Sec-
7 retary shall publish documents outlining guidelines
8 and best practices to support production of adequate
9 housing to meet the needs of communities and pro-
10 vide housing opportunities for individuals at every
11 income level across communities with respect to—

12 (A) State zoning frameworks; and

13 (B) local zoning frameworks.

14 (2) CONSULTATION; PUBLIC COMMENT.—Dur-
15 ing the 2-year period beginning on the date of enact-
16 ment of this Act, in developing the guidelines and
17 best practices required under paragraph (1), the As-
18 sistant Secretary shall—

19 (A) publish draft guidelines and best prac-
20 tices in the Federal Register for public com-
21 ment; and

22 (B) establish a task force for the purpose
23 of providing consultation to draft the guidelines
24 and best practices published under subpara-

1 graph (A), the members of which shall in-
2 clude—

3 (i) urban planners and architects;

4 (ii) housing developers, including af-
5 fordable and market-rate housing devel-
6 opers, manufactured housing developers,
7 cooperative housing developers, and other
8 business interests;

9 (iii) community engagement experts
10 and community members impacted by zon-
11 ing decisions;

12 (iv) public housing agencies and tran-
13 sit authorities;

14 (v) members of local zoning and plan-
15 ning boards and local and regional trans-
16 portation planning organizations;

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

20 (vii) academic researchers; and

21 (viii) home builders.

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

24 (A) with respect to State zoning frame-
25 works, outline potential models for updated

1 State enabling legislation or State agency and
2 department procedures;

3 (B) include recommendations regarding—

4 (i) the reduction or elimination of
5 parking minimums;

6 (ii) the increase in maximum floor
7 area ratio requirements and maximum
8 building heights and the reduction in min-
9 imum lot sizes and set-back requirements;

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

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

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

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

23 (I) nondiscretionary, ministerial
24 review; and

1 (II) entitlement and design re-
2 view processes;

3 (vii) the reduction of obstacles, regu-
4 latory or otherwise, to a range of housing
5 types at all levels of affordability, including
6 manufactured and modular housing;

7 (viii) State model zoning regulations
8 for directing local reforms, including mech-
9 anisms to encourage adoption;

10 (ix) provisions to encourage transit-
11 oriented development, including increased
12 permissible units per structure and re-
13 duced minimum lot sizes near existing or
14 planned public transit stations;

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

17 (xi) reforms to protest petition stat-
18 utes;

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

21 (xiii) cost-effective and appropriate
22 building codes;

23 (xiv) models for community benefit
24 agreements;

1 (xv) mechanisms to preserve afford-
2 ability, limit disruption of low-income com-
3 munities, and prevent displacement of ex-
4 isting residents;

5 (xvi) with respect to State zoning
6 frameworks—

7 (I) State model codes for direct-
8 ing local reforms, including mecha-
9 nisms to encourage adoption;

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

12 (aa) create a process for de-
13 velopers or builders requesting a
14 variance, conditional use, special
15 permit, zoning district change,
16 similar discretionary permit, or
17 otherwise petitioning a local zon-
18 ing or planning board for a
19 project, including a State-defined
20 amount of affordable housing to
21 appeal a rejection to a State body
22 or regional body empowered by
23 the State; and

24 (bb) establish qualifications
25 for communities to be exempted

1 from the appeals process based
2 on their available stock of afford-
3 able housing; and

4 (III) streamlining of State envi-
5 ronmental review policies;

6 (xvii) with respect to local zoning
7 frameworks—

8 (I) the simplification and stand-
9 ardization of existing zoning codes;

10 (II) maximum review timelines;

11 (III) best practices for the dis-
12 position of land owned by local gov-
13 ernments for affordable housing devel-
14 opment;

15 (IV) differentiations between best
16 practices for rural, suburban, and
17 urban communities, and communities
18 with different levels of density or pop-
19 ulation distribution; and

20 (V) streamlining of local environ-
21 mental review policies; and

22 (xviii) other land use measures that
23 promote access to new housing opportuni-
24 ties identified by the Secretary; and

25 (C) consider—

- 1 (i) the effects of adopting any rec-
2 ommendation on eligibility for Federal dis-
3 cretionary grants and tax credits for the
4 purpose of housing or community develop-
5 ment;
- 6 (ii) coordination between infrastruc-
7 ture investments and housing planning;
- 8 (iii) local housing needs, including
9 ways to set and measure housing goals and
10 targets;
- 11 (iv) a range of affordability for rental
12 units, with a prioritization of units attain-
13 able to extremely low-, low-, and moderate-
14 income residents;
- 15 (v) a range of affordability for home-
16 ownership;
- 17 (vi) accountability measures;
- 18 (vii) the long-term cost to residents
19 and businesses if more housing is not con-
20 structed;
- 21 (viii) barriers to individuals seeking to
22 access affordable housing in growing com-
23 munities and communities with economic
24 opportunity;

1 (ix) with respect to State zoning
2 frameworks—

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

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

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

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

17 (c) ABOLISHMENT OF THE REGULATORY BARRIERS
18 CLEARINGHOUSE.—

19 (1) IN GENERAL.—The Regulatory Barriers
20 Clearinghouse established pursuant to section 1205
21 of the Housing and Community Development Act of
22 1992 (42 U.S.C. 12705d) is abolished.

23 (2) REPEAL.—Section 1205 of the Housing and
24 Community Development Act of 1992 (42 U.S.C.
25 12705d) is repealed.

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

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

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

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

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

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

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

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

24 (e) RULE OF CONSTRUCTION.—Nothing in this sec-
25 tion may be construed to permit the Department of Hous-

1 ing and Urban Development to take an adverse action
2 against or fail to provide otherwise offered actions or serv-
3 ices for any State or locality if the State or locality de-
4 clines to adopt a guideline or best practice under sub-
5 section (b).

6 **TITLE II—BUILDING MORE IN** 7 **AMERICA**

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

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

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

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

22 (a) DEFINITIONS.—In this section:

23 (1) AFFORDABLE UNIT.—The term “affordable
24 unit” means a unit for which the monthly rental
25 payment is not more than 30 percent of the gross

1 income of an individual earning at or below 80 per-
2 cent of the area median income, as defined by the
3 Secretary.

4 (2) ASSISTED UNIT.—The term “assisted unit”
5 means a unit that undergoes repair or rehabilitation
6 work through a whole-home repairs program admin-
7 istered by an implementing organization under this
8 section.

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

11 (A) with a household income that—

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

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

18 (B) who is—

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

1 (ii) an owner-occupant of the manu-
2 factured home on which repairs are to be
3 conducted;

4 (iii) an owner-occupant of the cooper-
5 ative housing unit on which repairs are to
6 be conducted; or

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

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

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

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

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

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

9 (B) includes affordable units.

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

12 (A) made to an eligible landlord;

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

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

21 (7) IMPLEMENTING ORGANIZATION.—The term
22 “implementing organization”—

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

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

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

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

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

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

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

23 (i) the Community Development Block
24 Grant program under title I of the Hous-

1 ing and Community Development Act of
2 1974 (42 U.S.C. 5301 et seq.);

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

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

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

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

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

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

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

21 (i) eligible to carry out activities
22 under the lead renovation, repair, and
23 painting program under section 402(c) or
24 404 of the Toxic Substances Control Act
25 (15 U.S.C. 2682(c), 2684); or

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

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

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

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

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

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

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

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

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

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

15 (A) each State of the United States;

16 (B) the District of Columbia;

17 (C) the Commonwealth of Puerto Rico;

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

20 (E) an Indian tribe.

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

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

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

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

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

18 (b) PILOT PROGRAM.—

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

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

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

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

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

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

20 (i) reflect local construction costs; and

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

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

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

7 (D) shall require that—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (4) APPLICATION.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (9) STREAMLINING PROGRAM DELIVERY AND
11 ENSURING EFFICIENCY.—To the extent possible, in
12 carrying out the pilot program under this subsection,
13 the Secretary shall—

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

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

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

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

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

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

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

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

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

tion 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 to the Committee on Financial Services of the House of
2 Representatives and the Committee on Banking, Housing,
3 and Urban Affairs of the Senate, a report, after consulting
4 with the other agency in the development of such report,
5 about public welfare investments that were made by asso-
6 ciations under section 5136 of the Revised Statutes of the
7 United States (12 U.S.C. 24) and State member banks
8 under section 9(23) of the Federal Reserve Act (12 U.S.C.
9 338a) in the 2 previous calendar years, that—

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

12 (A) purpose;

13 (B) type;

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

19 (D) State or other location;

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

22 (A) purpose;

23 (B) type;

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

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

4 (D) State or other location; and

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

9 (A) in the case of a report by the Comp-
10 troller of the Currency, section 5136 of the Re-
11 vised Statutes of the United States (12 U.S.C.
12 24); or

13 (B) in the case of a report by the Board
14 of Governors, section 9(23) of the Federal Re-
15 serve Act (12 U.S.C. 338a).

16 **SEC. 204. ADDITION OF AFFORDABLE HOUSING CONSTRUC-**
17 **TION AS AN ELIGIBLE ACTIVITY.**

18 (a) **ELIGIBLE ACTIVITY.**—Section 105(a) of the
19 Housing and Community Development Act of 1974 (42
20 U.S.C. 5305(a)), as amended by section 104 of this Act,
21 is amended—

22 (1) in paragraph (26), by striking “and” at the
23 end;

24 (2) in paragraph (27), by striking the period at
25 the end and inserting “; and”; and

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

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

8 (b) LOW- AND MODERATE-INCOME REQUIREMENT.—
9 Section 105(c)(3) of the Housing and Community Devel-
10 opment Act of 1974 (42 U.S.C. 5305(c)(3)) is amended
11 by striking “or rehabilitation” and inserting “, rehabilita-
12 tion, or new construction”.

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

16 **SEC. 205. BETTER USE OF INTERGOVERNMENTAL AND**
17 **LOCAL DEVELOPMENT (BUILD) HOUSING**
18 **ACT.**

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

1 **“SEC. 13. DESIGNATION OF ENVIRONMENTAL REVIEW PRO-**
2 **CEDURE.**

3 “(a) IN GENERAL.—Except as provided in subsection
4 (b), the Secretary may, for purposes of environmental re-
5 view, decision making, and action pursuant to the Na-
6 tional Environmental Policy Act of 1969 (42 U.S.C. 4321
7 et seq.), and other provisions of law that further the pur-
8 poses of such Act, designate the treatment of assistance
9 administered by the Secretary as funds for a special
10 project for purposes of section 305(c) of the Multifamily
11 Housing Property Disposition Reform Act of 1994 (42
12 U.S.C. 3547).

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

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

24 (1) by striking “State or unit of general local
25 government” each place it appears and inserting

1 “State, Indian Tribe, or unit of general local govern-
2 ment”;

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

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

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

14 (c) IMPLEMENTATION.—

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

21 (2) EXCEPTION.—If a grantee of assistance ad-
22 ministered by the Secretary of Housing and Urban
23 Development combines funds appropriated before
24 and after the date of enactment of this Act to carry
25 out a project, section 13 of the Department of and

1 Urban Development Act, as added by subsection (a),
2 shall not apply to that assistance.

3 **SEC. 206. UNLOCKING HOUSING SUPPLY THROUGH**
4 **STREAMLINED AND MODERNIZED REVIEWS**
5 **ACT.**

6 (a) DEFINITIONS.—In this section:

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

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

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

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

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

21 (E) will serve a residential or commercial
22 purpose.

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

1 (b) NEPA STREAMLINING FOR HUD HOUSING-RE-
2 LATED ACTIVITIES.—

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

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

15 (i) Tenant-based rental assistance.

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

24 (iii) Operating costs, including main-
25 tenance, security, operation, utilities, fur-

1 nishings, equipment, supplies, staff train-
2 ing, and recruitment and other incidental
3 costs.

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

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

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

22 (vii) Approval of supplemental assist-
23 ance, including insurance or guarantee, to
24 a project previously approved by the Sec-
25 retary.

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

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

18 (i) Acquisition, repair, improvement,
19 reconstruction, or rehabilitation of public
20 facilities and improvements (other than
21 buildings) if the facilities and improve-
22 ments are in place and will be retained in
23 the same use without change in size or ca-
24 pacity of more than 20 percent, including
25 replacement of water or sewer lines, recon-

1 construction of curbs and sidewalks, and re-
2 paving of streets.

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

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

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

19 (C) The following housing-related activities
20 shall be subject to regulations equivalent or
21 substantially similar to the regulations entitled,
22 (i) “categorical exclusions subject to section
23 58.5” and (ii) “categorical exclusions subject to
24 the Federal laws and authorities cited in section
25 50.4” in section 58.35(a) and section 50.20, re-

1 spectively, of title 24, Code of Federal Regula-
2 tions, as in effect on January 1, 2025, if such
3 activities do not materially alter environmental
4 conditions and do not materially exceed the
5 original scope of the project:

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

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

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

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

21 (iii) New construction, development,
22 demolition, acquisition, or disposition of 5
23 to 15 dwelling units where there is a max-
24 imum of 15 units on any 1 site. The units

1 can be 15 1-unit buildings or 1 15-unit
2 building, or any combination in between.

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

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

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

18 (vii) The voluntary acquisition of
19 properties—

20 (I) located in—

21 (aa) a floodway;

22 (bb) a floodplain; or

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

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

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

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

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

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

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

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

7 (a) DEFINITIONS.—In this section:

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

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

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

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

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

24 (B) increase the affordability of housing;

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

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

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

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

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

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

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

23 (c) USE OF AMOUNTS.—

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

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

5 (A) the development of housing plans;

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

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

10 (D) updating zoning codes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (H) fund any planning to increase—

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

6 (ii) access to public transportation;

7 and

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

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

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

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

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

1 **SEC. 208. INNOVATION FUND.**

2 (a) DEFINITIONS.—In this section:

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

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

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

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

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

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

9 (b) ESTABLISHMENT OF A GRANT PROGRAM.—

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

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

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

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

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

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

11 (4) APPLICATION.—

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

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

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

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

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

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

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

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

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

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

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

7 (ix) streamlining environmental regu-
8 lations;

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

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

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

18 (5) GRANTS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (e) AUTHORIZATION OF APPROPRIATIONS.—

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

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

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

21 (a) DEFINITIONS.—In this section:

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

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

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

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

7 (B) includes—

8 (i) an accessory dwelling unit;

9 (ii) infill development;

10 (iii) a duplex;

11 (iv) a triplex;

12 (v) a fourplex;

13 (vi) a cottage court;

14 (vii) a courtyard building;

15 (viii) a townhouse;

16 (ix) a multiplex; and

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

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

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

1 (B) a municipal membership organization;
2 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (g) DESIGN ADOPTION AND REPAYMENT.—The Sec-
6 retary may require an eligible entity to return to the Sec-
7 retary any grant funds received under this section if the
8 selected prereviewed designs submitted under this section
9 have not been adopted during the 5-year period following
10 receipt of the grant, unless that period is extended by the
11 Secretary.

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

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

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

23 **“SEC. 227. REVITALIZING EMPTY STRUCTURES INTO DESIR-**
24 **ABLE ENVIRONMENTS.**

25 “(a) DEFINITIONS.—In this section:

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

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

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

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

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

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

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

24 “(B)(i) with respect to which—

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

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

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

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

20 “(c) AMOUNT OF GRANT.—

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

1 “(2) FISCAL YEARS WITH LOWER FUNDING.—

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

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

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

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

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

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

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

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

8 “(1) property acquisition;

9 “(2) demolition;

10 “(3) health hazard remediation;

11 “(4) site preparation;

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

13 or

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

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

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

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

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

10 “(3) increasing home-ownership; and

11 “(4) removing blight.”.

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

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

17 **SEC. 211. HOUSING AFFORDABILITY ACT.**

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

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

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

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

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

16 “(b) PUBLICATION.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (c) MULTIFAMILY LOAN LIMIT STUDY.—The Com-
20 missioner of the Federal Housing Administration, in con-
21 sultation with the Secretary of Housing and Urban Devel-
22 opment, shall conduct a study to assess the following in
23 comparison to the loan limits prior to the amendments
24 made under this section:

1 (1) Whether the Commissioner has sufficient
2 authority to increase loan limits for each multifamily
3 mortgage insurance program at appropriate
4 amounts, including to meet market demand.

5 (2) The impacts that multifamily loan limit in-
6 creases have had, if any, on—

7 (A) the General Insurance and Special
8 Risk Insurance Fund;

9 (B) the change in volume of multifamily
10 purchase and construction lending that is in-
11 sured by the Federal Housing Administration;
12 and

13 (C) subject to the availability of data, the
14 year-over-year change over the last 6 years in—

15 (i) median and average lending costs
16 as well as rent and house prices within the
17 multifamily housing market; and

18 (ii) multifamily housing supply, in-
19 cluding the number of building permits
20 issued as well as housing unit starts and
21 completions.

22 (d) REPORT.—Not later than 3 years after the date
23 of enactment of this Act, the Commissioner of the Federal
24 Housing Administration shall submit to Congress a report

1 summarizing the findings of the Commissioner for the
2 study conducted under subsection (b).

3 **SEC. 212. RENTAL ASSISTANCE DEMONSTRATION PRO-**
4 **GRAM.**

5 The language under the heading “Rental Assistance
6 Demonstration” in the Department of Housing and Urban
7 Development Appropriations Act, 2012 (Public Law 112–
8 55; 125 Stat. 673) is amended—

9 (1) in the second proviso, by striking “until
10 September 30, 2029” and inserting “for fiscal year
11 2012 and each fiscal year thereafter”;

12 (2) in the fourth proviso, by striking “455,000”
13 and inserting “555,000”;

14 (3) in the twentieth proviso, as so designated
15 before the date of enactment of this Act, by striking
16 “or other means:” and inserting “or other means,
17 including the adoption of a mandatory tenant lease
18 and management plan addendum for a property with
19 assistance converted, if not otherwise covered by an-
20 other program, under this demonstration:”; and

21 (4) by striking “vouchers to project-based
22 vouchers.” and inserting “vouchers to project-based
23 vouchers: Provided further, That the Secretary shall
24 annually assess and publish findings regarding the
25 impact of the conversion of assistance under the

1 First Component of the demonstration with respect
2 to the preservation and improvement of public hous-
3 ing, the amount of private sector leveraging result-
4 ing from such conversion transactions, the preva-
5 lence of pre-conversion residents remaining in or re-
6 turning to the property following conversion, and the
7 effect of such conversion on tenants, including the
8 impact of such conversion on the rights maintained
9 by tenants as enumerated in regulations and other
10 documents conferring rights upon tenants as devel-
11 oped by the Secretary, and other matters the Sec-
12 retary may determine appropriate: Provided further,
13 That the Secretary may take remediative action or
14 impose civil money penalties or other administrative
15 sanctions for material violations of a requirement
16 under the First and Second Components of this
17 demonstration: Provided further, That nothing in
18 the matter under this heading shall be construed to
19 diminish, impair, or otherwise negatively affect the
20 Rental Assistance Demonstration property rights of
21 owners or rights of tenants, which shall remain en-
22 forceable by tenants, as enumerated in current law,
23 regulations, and other agency guidance or notices as
24 it relates to properties converted under the First and
25 Second Components of the Rental Assistance Dem-

1 onstration Program; Provided further, That any
2 property owned by the public housing agency shall
3 be used to replace, create, preserve, improve, or ex-
4 pand affordable housing supply, including as part of
5 mixed use developments, and no conversion under
6 the Rental Assistance Demonstration shall be used
7 for sporting, private, or for-profit purposes, exclud-
8 ing those which maintain or expand housing supply
9 which may use an affordable housing tax credit or
10 other housing affordability program.”.

11 **SEC. 213. BUILD NOW ACT.**

12 (a) DEFINITIONS.—In this section:

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

19 (2) CURRENT ANNUAL GROWTH RATE.—The
20 term “current annual growth rate”, with respect to
21 an eligible recipient and a fiscal year, means the av-
22 erage annual percentage increase in the number of
23 housing units in the jurisdiction of the eligible re-
24 cipient, as calculated by the Secretary, during the
25 period—

1 (A) beginning with the third quarter of the
2 sixth preceding fiscal year; and

3 (B) ending with the third quarter of the
4 preceding fiscal year.

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

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

12 (ii) the median home value in the jurisdic-
13 tion of the covered recipient is below the me-
14 dian home value for the United States;

15 (B) the annual rental vacancy rate in the
16 jurisdiction of the covered recipient is greater
17 than the national annual rental vacancy rate for
18 the most recent year available, as published by
19 the Bureau of the Census;

20 (C) during the 3-year period preceding the
21 date on which the Secretary allocates funds
22 under section 106, the jurisdiction of the cov-
23 ered recipient has been the subject of a major
24 disaster or emergency declaration under section
25 401 or 501, respectively, of the Robert T. Staf-

1 ford Disaster Relief and Emergency Assistance
2 Act (42 U.S.C. 5170, 5191); or

3 (D) the covered recipient lacks the legal
4 authority to enact or update zoning and permit-
5 ting ordinances.

6 (4) EXTREMELY HIGH-GROWTH RECIPIENT.—

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

10 (5) HOUSING GROWTH IMPROVEMENT RATE.—

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

14 (A)(i) the current annual growth rate of
15 the eligible recipient, minus

16 (ii) the prior annual growth rate of the eli-
17 gible recipient; and

18 (B) the sum obtained by adding the abso-
19 lute values of the current annual growth rate
20 and the prior annual growth rate of the eligible
21 recipient.

22 (6) PRIOR ANNUAL GROWTH RATE.—The term

23 “prior annual growth rate”, with respect to an eligi-
24 ble recipient and a fiscal year, means the average
25 annual percentage increase in the number of housing

1 units in the jurisdiction of the eligible recipient, as
2 calculated by the Secretary, during the period—

3 (A) beginning with the third quarter of the
4 11th preceding fiscal year; and

5 (B) ending with the third quarter of the
6 sixth preceding fiscal year.

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

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

12 (b) ADJUSTMENTS TO COMMUNITY DEVELOPMENT
13 BLOCK GRANT ALLOCATIONS.—

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

20 (2) ADJUSTMENTS.—

21 (A) HOUSING GROWTH IMPROVEMENT
22 RATE AT OR ABOVE MEDIAN; EXTREMELY
23 HIGH-GROWTH RECIPIENTS.—

24 (i) IN GENERAL.—If, with respect to a
25 fiscal year for which the allocation under

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

14 (ii) BONUS AMOUNT.—For purposes
15 of clause (i), the bonus amount for an eli-
16 gible recipient for a fiscal year shall be
17 equal to the product of—

18 (I) the aggregate amount by
19 which allocations to eligible recipients
20 are decreased under subparagraph (B)
21 for that fiscal year; and

22 (II) the quotient of—

23 (aa) the difference in the
24 number of housing units, between
25 the third quarter of the second

1 preceding fiscal year and the
2 third quarter of the preceding fis-
3 cal year, in the jurisdiction of the
4 eligible recipient, as calculated by
5 the Secretary; and

6 (bb) the difference in the
7 number of housing units, between
8 the third quarter of the second
9 preceding fiscal year and the
10 third quarter of the preceding fis-
11 cal year, in the jurisdictions of all
12 eligible recipients that receive a
13 bonus amount under this para-
14 graph, as calculated by the Sec-
15 retary.

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

1 located to the eligible recipient under section
2 106 for that fiscal year by 10 percent.

3 (c) CALCULATION OF HOUSING UNITS.—

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

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

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

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

21 (3) ADJUSTMENT OF CALCULATION PERIODS.—

22 The Secretary may adjust the calculation periods
23 under subparagraphs (A) and (B) of subsection
24 (a)(2), subparagraphs (A) and (B) of subsection
25 (a)(6), and items (aa) and (bb) of subsection

1 (b)(2)(A)(ii)(II) by not more than 2 months to
2 achieve alignment with the data provided by the Bu-
3 reau of the Census.

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

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

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

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

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

17 (e) NOTIFICATION; IMPLEMENTATION DATES.—

18 (1) NOTIFICATION.—

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

1 ents other than extremely high-growth recipi-
2 ents.

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

11 (2) IMPLEMENTATION DATES.—Subsection (b)
12 shall take effect beginning with the third full fiscal
13 year after the date of enactment of this Act and re-
14 main in effect through fiscal year 2043.

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

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

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

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

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

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

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

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

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

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

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

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

17 “(i) MANUFACTURED HOME CERTIFICATIONS.—

18 “(1) IN GENERAL.—

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

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

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

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

21 “(C) EXTENDED DEADLINE.—With respect
22 to a State with a legislature that meets bienni-
23 ally, the deadline for the submission of the ini-
24 tial certification required under subparagraph

1 (A) shall be 2 years after the date of enactment
2 of the 21st Century ROAD to Housing Act.

3 “(D) LATE CERTIFICATION.—

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

11 “(ii) RULE OF CONSTRUCTION.—

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

17 “(2) FORM OF STATE CERTIFICATION NOT PRE-

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

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

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

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

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

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

19 “(4) LIST.—The Secretary shall publish and
20 maintain in the Federal Register and on the website
21 of the Department of Housing and Urban Develop-
22 ment a list of States that are up to date with the
23 submission of initial and subsequent certifications
24 required under this subsection.

25 “(5) PROHIBITION.—

1 “(A) DEFINITION.—In this paragraph, the
2 term ‘covered manufactured home’ means a
3 home that is—

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

8 “(ii) considered a manufactured home
9 under the definition of the term in section
10 603; and

11 “(iii) constructed after the date of en-
12 actment of the 21st Century ROAD to
13 Housing Act.

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

19 “(i) with respect to a State in which
20 the State administers the installation of
21 manufactured homes, the State shall pro-
22 hibit the manufacture, installation, or sale
23 of a covered manufactured home within the
24 State; and

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

7 (d) OTHER FEDERAL LAWS REGULATING MANUFAC-
8 TURED HOMES.—

9 (1) IN GENERAL.—The Secretary of Housing
10 and Urban Development may coordinate with the
11 heads of other Federal agencies to ensure that Fed-
12 eral agencies treat a manufactured home (as defined
13 in Federal laws and regulations other than section
14 603 of the National Manufactured Housing Con-
15 struction and Safety Standards Act of 1974 (42
16 U.S.C. 5402)) in the same manner as a manufac-
17 tured home (as defined in section 603 of the Na-
18 tional Manufactured Housing Construction and
19 Safety Standards Act of 1974 (42 U.S.C. 5402), as
20 amended by this Act).

21 (2) ENERGY EFFICIENCY STANDARDS.—

22 (A) MANUFACTURED HOME DEFINED.—In
23 this paragraph, the term “manufactured home”
24 has the meaning given the term in section 603
25 of the National Manufactured Housing Con-

1 construction and Safety Standards Act of 1974 (42
2 U.S.C. 5402), as amended by this Act.

3 (B) PROCESS.—No energy efficiency
4 standards for manufactured homes developed by
5 any Federal agency shall have legal effect un-
6 less and until adopted by the Department of
7 Housing and Urban Development pursuant to
8 the consensus standards and regulatory devel-
9 opment process described in section 604(a)(2)
10 of the National Manufactured Housing Con-
11 struction and Safety Standards Act of 1974 (42
12 U.S.C. 5403(a)(2)).

13 (C) MINIMUM STANDARDS.—The Secretary
14 of Housing and Urban Development shall—

15 (i) not later than 1 year after the date
16 of enactment of this Act, adopt minimum
17 energy efficiency standards for manufac-
18 tured homes; and

19 (ii) not less frequently than once every
20 3 years after adopting the standards under
21 clause (i), update those standards.

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

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

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

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

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

8 (f) PREEMPTION.—Nothing in this section or the
9 amendments made by this section may be construed as
10 limiting the scope of Federal preemption under section
11 604(d) of the National Manufactured Housing Construc-
12 tion and Safety Standards Act of 1974 (42 U.S.C.
13 5403(d)).

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

15 (a) DEFINITIONS.—In this section:

16 (1) MANUFACTURED HOME.—The term “manu-
17 factured home” has the meaning given the term in
18 section 603 of the National Manufactured Housing
19 Construction and Safety Standards Act of 1974 (42
20 U.S.C. 5402).

21 (2) MODULAR HOME.—The term “modular
22 home” means a home that is constructed in a fac-
23 tory in 1 or more modules, each of which meets ap-
24 plicable State and local building codes of the area in
25 which the home will be located, and that are trans-

1 ported to the home building site, installed on foun-
2 dations, and completed.

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

5 (b) FHA CONSTRUCTION FINANCING PROGRAMS.—

6 (1) IN GENERAL.—The Secretary shall conduct
7 a review of Federal Housing Administration con-
8 struction financing programs to identify barriers to
9 the use of modular home methods.

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

12 (A) identify and evaluate regulatory and
13 programmatic features that restrict participa-
14 tion in construction financing programs by
15 modular home developers, including construc-
16 tion draw schedules; and

17 (B) identify administrative measures au-
18 thorized under section 525 of the National
19 Housing Act (12 U.S.C. 1735f–3) to facilitate
20 program utilization by modular home devel-
21 opers.

22 (3) REPORT.—Not later than 1 year after the
23 date of enactment of this Act, the Secretary shall
24 publish a report that describes the results of the re-
25 view conducted under paragraph (1), which shall in-

1 clude a description of programmatic and policy
2 changes that the Secretary recommends to reduce or
3 eliminate identified barriers to the use of modular
4 home methods in Federal Housing Administration
5 construction financing programs.

6 (4) RULEMAKING.—

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

16 (B) DETERMINATION.—Following the pe-
17 riod for public comment under subparagraph
18 (A), the Secretary shall—

19 (i) issue a final rule regarding an al-
20 ternative draw schedule described in sub-
21 paragraph (A); or

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

24 (c) STANDARDIZED UNIFORM COMMERCIAL CODE
25 FOR MODULAR HOMES.—The Secretary may award a

1 grant to study the design and feasibility of a standardized
2 uniform commercial code for modular homes, which shall
3 evaluate—

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

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

10 **SEC. 303. PROPERTY IMPROVEMENT AND MANUFACTURED**
11 **HOUSING LOAN MODERNIZATION ACT.**

12 (a) NATIONAL HOUSING ACT AMENDMENTS.—

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

15 (A) in subsection (a), by inserting “con-
16 struction of additional or accessory dwelling
17 units, as defined by the Secretary,” after “en-
18 ergy conserving improvements,”; and

19 (B) in subsection (b)—

20 (i) in paragraph (1)—

21 (I) by striking subparagraph (A)

22 and inserting the following:

23 “(A) \$75,000 if made for the purpose of financ-
24 ing alterations, repairs, and improvements upon or

1 in connection with an existing single-family struc-
2 ture, including a manufactured home;”;

3 (II) in subparagraph (B)—

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

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

8 (cc) by striking “an apart-
9 ment house or”;

10 (III) by striking subparagraphs
11 (C) and (D) and inserting the fol-
12 lowing:

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

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

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

23 “(ii) \$238,699 if made for the purpose of fi-
24 nancing the purchase of a multi-section manufac-

1 tured home and a suitably developed lot on which to
2 place the home;”;

3 (IV) in subparagraph (E)—

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

6 (bb) by striking the period
7 at the end and inserting a semi-
8 colon;

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

11 (VI) in subparagraph (G), by
12 striking the period at the end and in-
13 serting “; and”; and

14 (VII) by inserting after subpara-
15 graph (G) the following:

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

19 (ii) in the matter immediately pre-
20 ceding paragraph (2)—

21 (I) by striking “regulation” and
22 inserting “notice”;

23 (II) by striking “increase” and
24 inserting “set”;

1 (III) by striking “(A)(ii), (C),
2 (D), and (E)” and inserting “(A)
3 through (H)”;

4 (IV) by inserting “, or as nec-
5 essary to achieve the goals of the Fed-
6 eral Housing Administration, periodi-
7 cally reset the dollar amount limita-
8 tions in subparagraphs (A) through
9 (H) based on justification and meth-
10 odology set forth in advance by regu-
11 lation” before the period at the end;
12 and

13 (V) by adjusting the margins ap-
14 propriately;

15 (iii) in paragraph (3), by striking “ex-
16 ceeds—” and all that follows through the
17 period at the end and inserting “exceeds
18 such period of time as determined by the
19 Secretary, not to exceed 30 years.”;

20 (iv) by striking paragraph (9) and in-
21 serting the following:

22 “(9) ANNUAL INDEXING OF CERTAIN DOLLAR
23 AMOUNT LIMITATIONS.—The Secretary shall develop
24 or choose 1 or more methods of indexing in order to
25 annually set the loan limits established in paragraph

1 (1), based on data the Secretary determines is ap-
2 propriate for purposes of this section.”; and

3 (v) in paragraph (11), by striking
4 “lease—” and all that follows through the
5 period at the end and inserting “lease
6 meets the terms and conditions established
7 by the Secretary”.

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

10 (A) DEADLINE FOR DEVELOPMENT OR
11 CHOICE OF NEW INDEX.—Not later than 1 year
12 after the date of enactment of this Act, the Sec-
13 retary of Housing and Urban Development
14 shall develop or choose 1 or more methods of
15 indexing as required under section 2(b)(9) of
16 the National Housing Act (12 U.S.C.
17 1703(b)(9)), as amended by paragraph (1) of
18 this subsection.

19 (B) INTERIM INDEX.—During the period
20 beginning on the date of enactment of this Act
21 and ending on the date on which the Secretary
22 of Housing and Urban Development develops or
23 chooses 1 or more methods of indexing as re-
24 quired under section 2(b)(9) of the National
25 Housing Act (12 U.S.C. 1703(b)(9)), as

1 amended by paragraph (1) of this subsection,
2 the method of indexing established by the Sec-
3 retary under such section 2(b)(9) before the
4 date of enactment of this Act shall apply.

5 (b) HUD STUDY OF OFFSITE CONSTRUCTION.—

6 (1) DEFINITIONS.—In this subsection:

7 (A) OFFSITE CONSTRUCTION HOUSING.—

8 The term “offsite construction housing” in-
9 cludes manufactured homes and modular
10 homes.

11 (B) MANUFACTURED HOME.—The term
12 “manufactured home” means any home con-
13 structed in accordance with the construction
14 and safety standards established under the Na-
15 tional Manufactured Housing Construction and
16 Safety Standards Act of 1974 (42 U.S.C. 5401
17 et seq.).

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

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

7 (A) an analysis of the advantages and the
8 impact of centralization in a factory and trans-
9 portation to a construction site on cost, preci-
10 sion, and materials waste;

11 (B) the extent to which offsite construction
12 housing meets housing quality standards under
13 the National Standards for the Physical Inspec-
14 tion of Real Estate, or other standards as the
15 Secretary may prescribe, compared to the ex-
16 tent for site-built homes, for such standards;

17 (C) the expected replacement and mainte-
18 nance costs over the first 40 years of life of off-
19 site construction homes compared to those costs
20 for site-built homes; and

21 (D) opportunities for use beyond single-
22 family housing, such as applications in acces-
23 sory dwelling units, two- to four-unit housing,
24 and large multifamily housing.

1 **SEC. 304. PRICE ACT.**

2 (a) IN GENERAL.—Title I of the Housing and Com-
3 munity Development Act of 1974 (42 U.S.C. 5301 et seq.)
4 is amended—

5 (1) in section 105(a) (42 U.S.C. 5305(a)), in
6 the matter preceding paragraph (1), by striking
7 “Activities” and inserting “Unless otherwise author-
8 ized under section 123, activities”; and

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

10 **“SEC. 123. PRESERVATION AND REINVESTMENT FOR COM-**
11 **MUNITY ENHANCEMENT.**

12 “(a) DEFINITIONS.—In this section:

13 “(1) COMMUNITY DEVELOPMENT FINANCIAL IN-
14 STITUTION.—The term ‘community development fi-
15 nancial institution’ means an institution that has
16 been certified as a community development financial
17 institution (as defined in section 103 of the Riegle
18 Community Development and Regulatory Improve-
19 ment Act of 1994 (12 U.S.C. 4702)) by the Sec-
20 retary of the Treasury.

21 “(2) ELIGIBLE MANUFACTURED HOUSING COM-
22 MUNITY.—The term ‘eligible manufactured housing
23 community’ means a manufactured housing commu-
24 nity that—

25 “(A) is affordable to low- and moderate-in-
26 come persons, as determined by the Secretary,

1 but not more than 120 percent of the area me-
2 dian income; and

3 “(B)(i) is owned by the residents of the
4 manufactured housing community through a
5 resident-controlled entity such as a resident-
6 owned cooperative; or

7 “(ii) will be maintained as such a commu-
8 nity, and remain affordable for low- and mod-
9 erate-income persons, to the maximum extent
10 practicable and for the longest period feasible.

11 “(3) ELIGIBLE RECIPIENT.—The term ‘eligible
12 recipient’ means—

13 “(A) an eligible manufactured housing
14 community;

15 “(B) a unit of general local government;

16 “(C) a housing authority;

17 “(D) a resident-owned community;

18 “(E) a resident-owned cooperative;

19 “(F) a nonprofit entity with housing exper-
20 tise or a consortium of such entities;

21 “(G) a community development financial
22 institution;

23 “(H) an Indian tribe;

24 “(I) a tribally designated housing entity;

1 “(J) the Department of Hawaiian Home
2 Lands;

3 “(K) a State; or

4 “(L) any other entity that is—

5 “(i) an owner-operator of an eligible
6 manufactured housing community; and

7 “(ii) working with an eligible manu-
8 factured housing community.

9 “(4) INDIAN TRIBE.—The term ‘Indian tribe’
10 has the meaning given the term ‘Indian tribe’ in sec-
11 tion 4 of the Native American Housing Assistance
12 and Self-Determination Act of 1996 (25 U.S.C.
13 4103).

14 “(5) MANUFACTURED HOUSING COMMUNITY.—
15 The term ‘manufactured housing community’
16 means—

17 “(A) any community, court, park, or other
18 land under unified ownership developed and ac-
19 commodating, or equipped to accommodate, the
20 placement of manufactured homes, where—

21 “(i) spaces within such community are
22 or will be primarily used for residential oc-
23 cupancy;

24 “(ii) all homes within the community
25 are used for permanent occupancy; and

1 “(iii) a majority of such occupied
2 spaces within the community are occupied
3 by manufactured homes, which may in-
4 clude homes constructed prior to enact-
5 ment of the Manufactured Home Construc-
6 tion and Safety Standards; or

7 “(B) any community that meets the defini-
8 tion of manufactured housing community used
9 for programs similar to the program under this
10 section.

11 “(6) RESIDENT HEALTH, SAFETY, AND ACCES-
12 SIBILITY ACTIVITIES.—The term ‘resident health,
13 safety, and accessibility activities’ means the recon-
14 struction, repair, or replacement of manufactured
15 housing and manufactured housing communities
16 to—

17 “(A) protect the health and safety of resi-
18 dents;

19 “(B) address weatherization and reduce
20 utility costs; or

21 “(C) address accessibility needs for resi-
22 dents with disabilities.

23 “(7) TRIBALLY DESIGNATED HOUSING ENTI-
24 TY.—The term ‘tribally designated housing entity’
25 has the meaning given the term in section 4 of the

1 Native American Housing Assistance and Self-De-
2 termination Act of 1996 (25 U.S.C. 4103).

3 “(b) ESTABLISHMENT.—There is authorized a com-
4 petitive grant program that the Secretary shall, by notice,
5 carry out to make awards utilizing funds appropriated for
6 such purpose to eligible recipients to carry out eligible
7 projects for development of or improvements to eligible
8 manufactured housing communities.

9 “(c) ELIGIBLE PROJECTS.—

10 “(1) IN GENERAL.—Amounts from grants
11 under this section may be used for—

12 “(A) community infrastructure, facilities,
13 utilities, and other land improvements in or
14 serving an eligible manufactured housing com-
15 munity;

16 “(B) reconstruction or repair of existing
17 housing within an eligible manufactured hous-
18 ing community;

19 “(C) replacement of homes within an eligi-
20 ble manufactured housing community;

21 “(D) planning;

22 “(E) resident health, safety, and accessi-
23 bility activities in homes in an eligible manufac-
24 tured housing community;

1 “(F) land and site acquisition and infra-
2 structure for expansion or construction of an el-
3 igible manufactured housing community;

4 “(G) resident and community services, in-
5 cluding relocation assistance, eviction preven-
6 tion, and down payment assistance; and

7 “(H) any other activity that—

8 “(i) is approved by the Secretary con-
9 sistent with the requirements under this
10 section;

11 “(ii) improves the overall living condi-
12 tions of an eligible manufactured housing
13 community, which may include the addi-
14 tion or enhancement of shared spaces such
15 as community centers, recreational areas,
16 or other facilities that support resident
17 well-being and community engagement;
18 and

19 “(iii) is necessary to protect the
20 health and safety of the residents of the el-
21 igible manufactured housing community
22 and the long-term affordability and sus-
23 tainability of the community.

1 “(2) REPLACEMENT.—For purposes of sub-
2 paragraphs (B) and (C) of paragraph (1), grants
3 under this section—

4 “(A) may not be used for rehabilitation or
5 modernization of units that were built before
6 June 15, 1976; and

7 “(B) may only be used for disposition and
8 replacement of units described in subparagraph
9 (A), provided that any replacement housing
10 complies with the Manufactured Home Con-
11 struction and Safety Standards or is another al-
12 lowed type of home, as determined by the Sec-
13 retary.

14 “(d) PRIORITY.—In awarding grants under this sec-
15 tion, the Secretary shall prioritize applicants that will
16 carry out activities that primarily benefit low- and mod-
17 erate-income residents and preserve long-term housing af-
18 fordability for residents of eligible manufactured housing
19 communities.

20 “(e) WAIVERS.—The Secretary may waive or specify
21 alternative requirements for any provision of law or regu-
22 lation that the Secretary administers in connection with
23 use of amounts made available under this section other
24 than requirements related to fair housing, nondiscrimina-
25 tion, labor standards, and the environment, upon a finding

1 that the waiver or alternative requirement is not incon-
2 sistent with the overall purposes of this section and that
3 the waiver or alternative requirement is necessary to facili-
4 tate the use of amounts made available under this section.

5 “(f) IMPLEMENTATION.—

6 “(1) IN GENERAL.—Any grant made under this
7 section shall be made pursuant to criteria for selec-
8 tion of recipients of such grants that the Secretary
9 shall by regulation establish and publish together
10 with any notification of availability of amounts
11 under this section.

12 “(2) SET-ASIDE OF GRANT AMOUNTS.—The
13 Secretary may set aside amounts provided under
14 this section for grants to Indian tribes, tribally des-
15 ignated housing entities, and the Department of Ha-
16 waiian Home Lands.

17 “(g) SUNSET.—The program established under this
18 section shall terminate on the date that is 7 years after
19 the date of enactment of this section.”.

20 (b) APPLICATION.—Grants made under section 123
21 of the Housing and Community Development Act of 1974,
22 as added by subsection (a), after the date of enactment
23 of this Act shall be carried out using amounts appro-
24 priated after the date of enactment of this Act.

**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.

1 (b) REQUIREMENT REGARDING LOAN ORIGINATOR
2 COMPENSATION PRACTICES.—Not later than 270 days
3 after the date of enactment of this Act, the Director shall
4 submit to the Committee on Banking, Housing, and
5 Urban Affairs of the Senate and the Committee on Finan-
6 cial Services of the House of Representatives a report on
7 loan originator compensation practices throughout the res-
8 idential mortgage market, including the relative frequency
9 of loan originators being compensated—

10 (1) with a salary;

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

13 (3) with a commission based on a factor other
14 than a fixed percentage of the amount of credit ex-
15 tended;

16 (4) with a combination of salary and commis-
17 sion;

18 (5) on a loan volume basis; and

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

22 (c) COMMUNITY DEVELOPMENT FINANCIAL INSTITU-
23 TION LOAN ORIGINATORS.—In carrying out the report re-
24 quired under subsection (b), the Secretary shall, in coordi-
25 nation with relevant Federal agencies that regulate feder-

1 ally backed small-dollar mortgages and in consultation
2 with the Director of the Community Development Finan-
3 cial Institutions Fund established under section 104 of the
4 Community Development Banking and Financial Institu-
5 tions Act of 1994 (12 U.S.C. 4703), give due consider-
6 ation to the practices for compensating loan originators
7 that are employed by or originate loans on behalf of com-
8 munity development financial institutions.

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

11 (1) data and other analyses regarding the effect
12 of the approaches to loan originator compensation
13 described in subsection (b) on the availability of
14 small-dollar mortgage loans; and

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

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

18 (a) SMALL-DOLLAR MORTGAGE DEFINED.—In this
19 section, the term “small-dollar mortgage” means a mort-
20 gage with an original principal obligation of less than
21 \$100,000.

22 (b) AMENDMENTS.—Not later than 270 days after
23 the date of enactment of this Act, the Director of the Bu-
24 reau of Consumer Financial Protection, in consultation
25 with the Secretary of Housing and Urban Development

1 and the Director of the Federal Housing Finance Agency,
2 shall evaluate the impact of the thresholds under section
3 1026.43 of title 12, Code of Federal Regulations (as in
4 effect on the date of enactment of this Act), on small-dol-
5 lar mortgage originations.

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

7 (a) APPRAISAL STANDARDS.—

8 (1) CERTIFICATION OR LICENSING.—

9 (A) IN GENERAL.—Section 202(g)(5) of
10 the National Housing Act (12 U.S.C.
11 1708(g)(5)) is amended—

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

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

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

1 “(B) meet the requirements under the com-
2 petency rule set forth in the Uniform Standards of
3 Professional Appraisal Practice before accepting an
4 assignment; and

5 “(C) have demonstrated verifiable education in
6 the appraisal requirements established by the Fed-
7 eral Housing Administration under this subsection,
8 which shall include the completion of a course or
9 seminar that educates appraisers on those appraisal
10 requirements, which shall be provided by—

11 “(i) the Federal Housing Administration;
12 or

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

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

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

7 (A) the appraiser is in compliance with the
8 requirements of subparagraphs (A) and (B) of
9 section 202(g)(5) of the National Housing Act
10 (12 U.S.C. 1708(g)(5)), as amended by para-
11 graph (1); and

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

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

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

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

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

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

18 (C) takes effect not later than the date
19 that is 180 days after the date on which the
20 Secretary issues the mortgagee letter or guid-
21 ance.

22 (b) ANNUAL REGISTRY FEES FOR APPRAISAL MAN-
23 AGEMENT COMPANIES.—Section 1109(a) of the Financial
24 Institutions Reform, Recovery, and Enforcement Act of
25 1989 (12 U.S.C. 3338(a)) is amended, in the matter fol-

1 lowing clause (ii) of paragraph (4)(B), by adding at the
2 end the following: “Subject to the approval of the Council,
3 the Appraisal Subcommittee may adjust fees established
4 under clause (i) or (ii) to carry out its functions under
5 this Act.”.

6 (c) STATE CREDENTIALLED TRAINEES.—

7 (1) MAINTENANCE ON NATIONAL REGISTRY.—

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

11 (A) in paragraph (3)—

12 (i) by inserting “and State
13 credentialed trainee appraisers” after “li-
14 censed appraisers”; and

15 (ii) by striking “and” at the end;

16 (B) by striking paragraph (4);

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

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

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

22 (ii) by striking “provide” and insert-
23 ing “provides”; and

24 (iii) by striking the period at the end
25 and inserting “; and”.

150

1 (2) ANNUAL REGISTRY FEES.—

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

6 (i) in the section heading, by striking
7 “certified or licensed” and inserting “, cer-
8 tified, licensed, and credentialed trainee”;
9 and

10 (ii) in subsection (a)—

11 (I) in paragraph (1), by inserting
12 “, and in the case of a State with a
13 supervisory or trainee program, a ros-
14 ter listing individuals who have re-
15 ceived a State trainee credential”
16 after “this title”; and

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

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

1 (B) RULE OF CONSTRUCTION.—Nothing in
2 the amendments made by subparagraph (A)
3 shall require a State to establish or operate a
4 program for State credentialed trainee apprais-
5 ers, as defined in paragraph (12) of section
6 1121 of the Financial Institutions Reform, Re-
7 covery, and Enforcement Act of 1989, as added
8 by paragraph (4) of this subsection.

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

14 (A) by striking “In determining” and in-
15 serting “(a) IN GENERAL.—In determining”;
16 and

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

18 “(b) USE OF STATE CREDENTIALLED TRAINEE AP-
19 PRAISERS.—In performing an appraisal under this sec-
20 tion, a State certified appraiser may use the assistance
21 of a State credentialed trainee appraiser or an unlicensed
22 trainee appraiser, except that the State certified appraiser
23 assisted by a trainee shall be liable for appraisal and valu-
24 ation work.”.

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

5 “(12) STATE CREDENTIALLED TRAINEE AP-
6 PRaiser.—The term ‘State credentialed trainee ap-
7 praiser’ means an individual who—

8 “(A) meets the minimum criteria estab-
9 lished by the Appraiser Qualification Board for
10 a trainee appraiser credential; and

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

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

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

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

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

22 “(7) to make grants to State appraiser certi-
23 fying and licensing agencies and post-secondary in-
24 stitutions, including trade and polytechnic schools,
25 to support the carrying out of education and train-

1 ing activities or other activities related to addressing
2 appraiser industry workforce needs, including re-
3 cruiting and retaining workforce talent, such as
4 through scholarship assistance and career pipeline
5 development, and such agencies shall report on the
6 use of funds and outcomes.”.

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

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

15 Section 23 of the United States Housing Act of 1937
16 (42 U.S.C. 1437u) is amended by adding at the end the
17 following:

18 “(p) ESCROW EXPANSION PILOT PROGRAM.—

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

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

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

4 “(C) PILOT PROGRAM.—The term ‘Pilot
5 Program’ means the Pilot Program established
6 under paragraph (2).

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

12 “(2) ESTABLISHMENT.—The Secretary may es-
13 tablish a pilot program under which the Secretary
14 shall select not more than 25 eligible entities to es-
15 tablish and manage escrow accounts for not more
16 than 5,000 covered families, in accordance with this
17 subsection.

18 “(3) ESCROW ACCOUNTS.—

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

21 “(i) shall establish an interest-bearing
22 escrow account and place into the account
23 an amount equal to any increase in the
24 amount of rent paid by each covered family
25 in accordance with the provisions of section

1 3, 8(o), or 8(y), as applicable, that is at-
2 tributable to increases in earned income by
3 the covered families during the participa-
4 tion of each covered family in the Pilot
5 Program; and

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

15 “(B) INCOME LIMITATION.—An eligible en-
16 tity may not escrow any amounts for any cov-
17 ered family whose adjusted income exceeds 80
18 percent of the area median income at the time
19 of enrollment.

20 “(C) WITHDRAWALS.—A covered family
21 may withdraw funds, including interest earned,
22 from an escrow account established by an eligi-
23 ble entity under the Pilot Program—

24 “(i) after the covered family ceases to
25 receive welfare assistance; and

1 “(ii)(I) not earlier than the date that
2 is 5 years after the date on which the eligi-
3 ble entity establishes the escrow account
4 under this subsection;

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

13 “(III) on the date the covered family
14 ceases to receive housing assistance under
15 section 8 or 9, if such date is earlier than
16 5 years after the date on which the eligible
17 entity establishes the escrow account;

18 “(IV) earlier than 5 years after the
19 date on which the eligible entity establishes
20 the escrow account, if the covered family is
21 using the funds to advance a self-suffi-
22 ciency goal as approved by the eligible enti-
23 ty;

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

4 “(VI) under other circumstances in
5 which the Secretary determines an exemp-
6 tion for good cause is warranted.

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

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

21 “(4) EFFECT OF INCREASES IN FAMILY IN-
22 COME.—Any increase in the earned income of a cov-
23 ered family during the enrollment of the family in
24 the Pilot Program may not be considered as income
25 or a resource for purposes of eligibility of the family

1 for other benefits, or amount of benefits payable to
2 the family, under any program administered by the
3 Secretary.

4 “(5) APPLICATION.—

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

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

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

14 “(B) GEOGRAPHIC AND ENTITY VARI-
15 ETY.—The Secretary shall ensure that eligible
16 entities selected to participate in the Pilot Pro-
17 gram—

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

20 “(ii) vary by size and type, including
21 both public housing agencies and private
22 owners of projects receiving project-based
23 rental assistance under section 8.

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

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

3 “(B) provide covered families with a de-
4 tailed description of the Pilot Program, includ-
5 ing how the Pilot Program will impact their
6 rent and finances;

7 “(C) inform covered families that the fami-
8 lies cannot simultaneously participate in the
9 Pilot Program and the Family Self-Sufficiency
10 program under this section; and

11 “(D) provide covered families with the abil-
12 ity to elect not to participate in the Pilot Pro-
13 gram—

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

17 “(ii) at any point during the duration
18 of the Pilot Program.

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

24 “(8) PILOT PROGRAM TIMELINE.—

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

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

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

11 “(ii) maintain those escrow accounts
12 for not less than 5 years, or until a deter-
13 mination is made for termination with FSS
14 escrow disbursement under section
15 984.303(k) of title 24, Code of Federal
16 Regulations, or until the date the family
17 ceases to receive assistance under section 8
18 or 9, and, at the discretion of the covered
19 family, not more than 7 years after the
20 date on which the escrow account is estab-
21 lished.

22 “(9) NONPARTICIPATION AND HOUSING ASSIST-
23 ANCE.—

24 “(A) IN GENERAL.—Assistance under sec-
25 tion 8 or 9 for a family that elects not to par-

1 ticipate in the Pilot Program shall not be de-
2 layed or denied by reason of such election.

3 “(B) NO TERMINATION.—Housing assist-
4 ance may not be terminated as a consequence
5 of participating, or not participating, in the
6 Pilot Program under this subsection for any pe-
7 riod.

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

22 “(11) WAIVERS.—To allow selected eligible en-
23 tities to effectively administer the Pilot Program and
24 make the required escrow account deposits under

1 this subsection, the Secretary may waive require-
2 ments under this section.

3 “(12) TERMINATION.—The Pilot Program
4 under this subsection shall terminate on the date
5 that is 10 years after the date of enactment of this
6 subsection.

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

10 “(A) for technical assistance related to im-
11 plementation of the Pilot Program; and

12 “(B) to carry out an evaluation of the
13 Pilot Program under paragraph (10).”.

14 **SEC. 405. CHOICE IN AFFORDABLE HOUSING ACT.**

15 (a) SATISFACTION OF INSPECTION REQUIREMENTS
16 THROUGH PARTICIPATION IN OTHER HOUSING PRO-
17 GRAMS.—Section 8(o)(8) of the United States Housing
18 Act of 1937 (42 U.S.C. 1437f(o)(8)) is amended by add-
19 ing at the end the following:

20 “(I) SATISFACTION OF INSPECTION RE-
21 QUIREMENTS THROUGH PARTICIPATION IN
22 OTHER HOUSING PROGRAMS.—

23 “(i) LOW-INCOME HOUSING TAX
24 CREDIT-FINANCED BUILDINGS.—A dwell-
25 ing unit shall be deemed to meet the in-

1 specification requirements under this para-
2 graph if—

3 “(I) the dwelling unit is in a
4 building, the acquisition, rehabilita-
5 tion, or construction of which was
6 done by a building owner who may be
7 eligible for low-income housing credits
8 because the building had been allo-
9 cated a housing credit dollar amount
10 under section 42(h) of the Internal
11 Revenue Code of 1986 or is described
12 in section 42(h)(4) of such Code (con-
13 cerning buildings that meet a criterion
14 for a certain amount of tax-exempt fi-
15 nancing);

16 “(II) the dwelling unit, during
17 the preceding 12-month period, was
18 physically inspected and satisfied the
19 suitability-for-occupancy requirement
20 in section 42(i)(3)(B)(ii) of such
21 Code; and

22 “(III) the applicable public hous-
23 ing agency performed the inspection
24 itself or is able to obtain the results of

1 the inspection described in subclause
2 (II).

3 “(ii) HOME INVESTMENT PARTNER-
4 SHIPS PROGRAM.—A dwelling shall be
5 deemed to meet the inspection require-
6 ments under this paragraph if—

7 “(I) the dwelling unit is assisted
8 under the HOME Investment Part-
9 nerships Program under title II of the
10 Cranston-Gonzalez National Afford-
11 able Housing Act (42 U.S.C. 12721 et
12 seq.);

13 “(II) the dwelling unit was phys-
14 ically inspected and passed inspection
15 as part of the program described in
16 subclause (I) during the preceding 12-
17 month period; and

18 “(III) the applicable public hous-
19 ing agency is able to obtain the re-
20 sults of the inspection described in
21 subclause (II).

22 “(iii) RURAL HOUSING SERVICE.—A
23 dwelling unit shall be deemed to meet the
24 inspection requirements under this para-
25 graph if—

1 “(I) the dwelling unit is assisted
2 by the Rural Housing Service of the
3 Department of Agriculture;

4 “(II) the dwelling unit was phys-
5 ically inspected and passed inspection
6 in connection with the assistance de-
7 scribed in subclause (I) during the
8 preceding 12-month period; and

9 “(III) the applicable public hous-
10 ing agency is able to obtain the re-
11 sults of the inspection described in
12 subclause (II).

13 “(iv) REMOTE OR VIDEO INSPEC-
14 TIONS.—When complying with inspection
15 requirements for a housing unit located in
16 a rural or small area using assistance
17 under this section, the Secretary may allow
18 a grantee to conduct a remote or video in-
19 spection of a unit if the remote or video in-
20 spection—

21 “(I) is thorough;

22 “(II) does not misrepresent the
23 condition of the unit; and

24 “(III) provides the information
25 necessary to fully and accurately

1 evaluate the conditions of the unit to
2 ensure that the unit meets the rel-
3 evant standards.

4 “(v) RULE OF CONSTRUCTION.—
5 Nothing in clause (i), (ii), (iii), or (iv) shall
6 be construed to affect the operation of a
7 housing program described in, or author-
8 ized under a provision of law described in,
9 that clause.”.

10 (b) PRE-APPROVAL OF UNITS.—Section 8(o)(8)(A) of
11 the United States Housing Act of 1937 (42 U.S.C.
12 1437f(o)(8)(A)) is amended by adding at the end the fol-
13 lowing:

14 “(iv) INITIAL INSPECTION PRIOR TO
15 LEASE AGREEMENT.—

16 “(I) DEFINITION.—In this
17 clause, the term ‘new landlord’ means
18 an owner of a dwelling unit who has
19 not previously entered into a housing
20 assistance payment contract with a
21 public housing agency under this sub-
22 section for any dwelling unit.

23 “(II) EARLY INSPECTION.—Upon
24 the request of a new landlord, a public
25 housing agency may inspect the dwell-

1 ing unit owned by the new landlord to
2 determine whether the unit meets the
3 housing quality standards under sub-
4 paragraph (B) before the unit is se-
5 lected by a tenant assisted under this
6 subsection.

7 “(III) EFFECT.—An inspection
8 conducted under subclause (II) that
9 determines that the dwelling unit
10 meets the housing quality standards
11 under subparagraph (B) shall satisfy
12 this subparagraph and subparagraph
13 (C) if the new landlord enters into a
14 lease agreement with a tenant assisted
15 under this subsection not later than
16 60 days after the date of the inspec-
17 tion.

18 “(IV) INFORMATION WHEN FAM-
19 ILY IS SELECTED.—When a public
20 housing agency selects a family to
21 participate in the tenant-based assist-
22 ance program under this subsection,
23 the public housing agency shall in-
24 clude in the information provided to
25 the family a list of dwelling units that

1 have been inspected under subclause
2 (II) and determined to meet the hous-
3 ing quality standards under subpara-
4 graph (B).”.

5 **TITLE V—PROGRAM REFORM**

6 **SEC. 501. HOME INVESTMENT PARTNERSHIPS REAUTHOR-** 7 **IZATION AND REFORM ACT.**

8 (a) AUTHORIZATION.—Section 205 of the Cranston-
9 Gonzalez National Affordable Housing Act (42 U.S.C.
10 12724) is amended to read as follows:

11 **“SEC. 205. AUTHORIZATION OF PROGRAM.**

12 “The HOME Investment Partnerships Program
13 under subtitle A is hereby authorized.”.

14 (b) DEFINITION OF COMMUNITY HOUSING DEVELOP-
15 MENT ORGANIZATION.—Section 104(6)(B) of the Cran-
16 ston-Gonzalez National Affordable Housing Act (42
17 U.S.C. 12704(6)(B)) is amended by striking “significant”.

18 (c) ASSISTANCE FOR LOW-INCOME FAMILIES.—Title
19 II of the Cranston-Gonzalez National Affordable Housing
20 Act (42 U.S.C. 12721 et seq.) is amended—

21 (1) in section 214(2) (42 U.S.C. 12742(2)), by
22 striking “households that qualify as low-income fam-
23 ilies” and inserting “families with a household in-
24 come that does not exceed 100 percent of the me-

1 dian family income of the area, as determined by the
2 Secretary”; and

3 (2) in section 271(c) (42 U.S.C. 12821(c))—

4 (A) in paragraph (1)(B), by striking “low-
5 income” and inserting “families with a house-
6 hold income that does not exceed 100 percent
7 of the median family income of the area as de-
8 termined by the Secretary with adjustments for
9 smaller and larger families”; and

10 (B) in paragraph (2)(A), by striking “low-
11 income families” and inserting “families with a
12 household income that does not exceed 100 per-
13 cent of the median family income of the area as
14 determined by the Secretary with adjustments
15 for smaller and larger families”.

16 (d) CHOICES MADE BY PARTICIPATING JURISDIC-
17 TIONS.—Section 212(a)(2) of the Cranston-Gonzalez Na-
18 tional Affordable Housing Act (42 U.S.C. 12742(a)(2)) is
19 amended to read as follows:

20 “(2) LIMITATION.—The Secretary may not re-
21 strict the choice by a participating jurisdiction of re-
22 habilitation, substantial rehabilitation, new construc-
23 tion, reconstruction, acquisition, or other eligible
24 housing uses authorized in paragraph (1) unless the

1 restriction is explicitly authorized under section
2 223(2).”.

3 (e) USE OF AMOUNTS BY CERTAIN JURISDICTIONS
4 FOR INFRASTRUCTURE IMPROVEMENTS.—

5 (1) IN GENERAL.—Section 212(a) of the Cran-
6 ston-Gonzalez National Affordable Housing Act (42
7 U.S.C. 12742(a)) is amended by inserting after
8 paragraph (3) the following:

9 “(4) INFRASTRUCTURE IMPROVEMENTS IN
10 NONENTITLEMENT AREAS.—

11 “(A) IN GENERAL.—A participating juris-
12 diction may use funds provided under this sub-
13 title for infrastructure improvements, including
14 the installation or repair of water and sewer
15 lines, sidewalks, roads, and utility connections
16 if—

17 “(i) such participating jurisdiction
18 does not receive assistance under title I of
19 the Housing and Community Development
20 Act of 1974 (42 U.S.C. 5310); and

21 “(ii) such improvements are directly
22 related to, and located within or imme-
23 diately adjacent to—

24 “(I) housing assisted under this
25 subtitle; or

1 “(II) housing assisted under sec-
2 tion 42 of the Internal Revenue Code
3 of 1986.

4 “(B) APPLICATION OF LABOR STAND-
5 ARDS.—The labor standards and requirements
6 set forth in section 110 of the Housing and
7 Community Development Act of 1974 (42
8 U.S.C. 5310) shall apply to any infrastructure
9 improvement conducted using funds provided
10 under this subtitle.

11 “(C) RULE OF CONSTRUCTION.—Nothing
12 in this paragraph may be construed to impose
13 any requirements of the HOME Investment
14 Partnerships program on housing that benefits
15 from an infrastructure improvement conducted
16 using funds provided under this subtitle but
17 was not otherwise assisted under the HOME
18 Investment Partnerships program.”.

19 (2) RULEMAKING.—Not later than 1 year after
20 the date of enactment of this Act, the Secretary of
21 Housing and Urban Development shall issue rules to
22 carry out the amendment made by paragraph (1).

23 (f) PER UNIT INVESTMENT LIMITATIONS.—Section
24 212(e)(1) of the Cranston-Gonzalez National Affordable

1 Housing Act (42 U.S.C. 12742(e)(1)) is amended by strik-
2 ing the second sentence.

3 (g) AFFORDABLE RENTAL HOUSING QUALIFICA-
4 TIONS.—Section 215(a) of the Cranston-Gonzalez Na-
5 tional Affordable Housing Act (42 U.S.C. 12745(a)) is
6 amended by adding at the end the following:

7 “(7) QUALIFICATION EXCEPTION.—Notwith-
8 standing paragraph (1)(A), a rental unit shall be
9 considered to qualify as affordable housing under
10 this title if—

11 “(A) the unit is occupied by a tenant re-
12 ceiving tenant-based rental assistance under
13 section 8 of the United States Housing Act of
14 1937 (42 U.S.C. 1437f);

15 “(B) the contribution of the tenant toward
16 rent does not exceed the amount permitted
17 under the assistance described in subparagraph
18 (A); and

19 “(C) the total rent for the unit does not
20 exceed the amount approved by the public hous-
21 ing agency administering the assistance de-
22 scribed in subparagraph (A).”.

23 (h) AFFORDABLE HOME-OWNERSHIP HOUSING
24 QUALIFICATIONS.—Section 215 of the Cranston-Gonzalez

1 National Affordable Housing Act (42 U.S.C. 12745) is
2 amended—

3 (1) in subsection (b)—

4 (A) in paragraph (2), by redesignating
5 subparagraphs (A), (B), and (C) as clauses (i),
6 (ii), and (iii), respectively, and adjusting the
7 margins accordingly;

8 (B) in paragraph (3)—

9 (i) in subparagraph (A), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins accordingly; and

12 (ii) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and adjusting the margins accordingly;

13 (C) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and adjusting the margins accordingly;

16 (D) by striking “Housing that is for home-ownership” and inserting the following:

17 “(1) QUALIFICATION.—Housing that is for
18 home-ownership”;

19 (E) in paragraph (1), as so designated—

1 (i) in subparagraph (A), as so redesignated—
2 nated—

3 (I) by striking “95 percent” and
4 inserting “110 percent”; and

5 (II) by inserting “(defined as the
6 amount borrowed by the homebuyer to
7 purchase the home, or the estimated
8 value after rehabilitation, which may
9 be adjusted to account for the limits
10 on future value imposed by the resale
11 restriction)” after “purchase price”;

12 (ii) in subparagraph (B), as so redesignated, in the matter preceding clause (i),
13 by striking “whose family qualifies as a
14 low-income family” and inserting “with a
15 family income that does not exceed 100
16 percent of the median family income of the
17 area as determined by the Secretary with
18 adjustments for smaller and larger families”;
19
20

21 (iii) in subparagraph (C), as so redesignated—
22

23 (I) in clause (i)(II)—

24 (aa) by striking “low-income
25 home-buyers” and inserting

1 “home-buyers with a household
2 income that does not exceed 100
3 percent of the median family in-
4 come of the area, as determined
5 by the Secretary with adjust-
6 ments for smaller and larger
7 families”; and

8 (bb) by striking “or” at the
9 end;

10 (II) in clause (ii), by striking
11 “and” at the end and inserting “or”;
12 and

13 (III) by adding at the end the
14 following:

15 “(iii) maintain long-term affordability
16 through a shared equity ownership model,
17 a community land trust, a limited equity
18 cooperative, a community development cor-
19 poration, or other mechanism approved by
20 the Secretary, that preserves affordability
21 for future eligible home-buyers and ensures
22 compliance with the purposes of this title,
23 including through the use of purchase op-
24 tions, rights of first refusal, or other pre-
25 emptive rights to purchase housing;”;

1 (iv) in subparagraph (D), as so redes-
2 ignated, by striking the period at the end
3 and inserting “; and”; and

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

5 “(E) is subject to restrictions that are es-
6 tablished by the participating jurisdiction and
7 determined by the Secretary to be appropriate,
8 including with respect to the useful life of the
9 property, to—

10 “(i) require that any subsequent pur-
11 chase of the property be—

12 “(I) only by a person who meets
13 the qualifications specified under sub-
14 paragraph (B); and

15 “(II) at a price that is deter-
16 mined by a formula or method estab-
17 lished by the participating jurisdiction
18 that provides the owner with a reason-
19 able return on investment, which may
20 include a percentage of the cost of
21 any improvements; or

22 “(ii) recapture the investment pro-
23 vided under this title in order to assist
24 other persons in accordance with the re-
25 quirements of this title, except where there

1 are no net proceeds or where the net pro-
2 ceeds are insufficient to repay the full
3 amount of the assistance.”; and

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

5 “(2) PURCHASE BY COMMUNITY LAND TRUST
6 OR COOPERATIVE HOUSING CORPORATION.—Not-
7 withstanding subparagraph (C)(i) of paragraph (1)
8 and under terms determined by the Secretary, the
9 Secretary may permit a participating jurisdiction to
10 allow a community land trust, housing cooperative,
11 or a community development corporation that used
12 assistance provided under this subtitle for the devel-
13 opment of housing that meets the criteria under
14 paragraph (1), to acquire the housing—

15 “(A) in accordance with the terms of the
16 preemptive purchase option, lease, covenant on
17 the land, or other similar legal instrument of
18 the community land trust or housing coopera-
19 tive when the terms and rights in the preemp-
20 tive purchase option, lease, covenant, or legal
21 instrument are and remain subject to the re-
22 quirements of this title;

23 “(B) when the purchase is for—

24 “(i) the purpose of—

1 “(I) entering into the chain of
2 title;

3 “(II) enabling a purchase by a
4 person who meets the qualifications
5 specified under paragraph (1)(B) and
6 is on a waitlist maintained by the
7 community land trust or housing co-
8 operative, subject to enforcement by
9 the participating jurisdiction of all ap-
10 plicable requirements of this title, as
11 determined by the Secretary;

12 “(III) performing necessary reha-
13 bilitation and improvements; or

14 “(IV) adding a subsidy to pre-
15 serve affordability, which may be from
16 Federal or non-Federal sources; or

17 “(ii) another purpose determined ap-
18 propriate by the Secretary; and

19 “(C) if, within a reasonable period of time
20 after the applicable purpose under subpara-
21 graph (B) of this paragraph is fulfilled, as de-
22 termined by the Secretary, the housing is then
23 sold to a person who meets the qualifications
24 specified under paragraph (1)(B).”; and

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

1 “(c) QUALIFICATION EXCEPTIONS FOR HOME-OWN-
2 ERSHIP.—

3 “(1) MILITARY MEMBERS.—A participating ju-
4 risdiction, in accordance with terms established by
5 the Secretary, may suspend or waive the income
6 qualifications described in subsection (b)(1)(B) with
7 respect to housing that otherwise meets the criteria
8 described in subsection (b)(1) if the owner of the
9 housing—

10 “(A) is a member of a regular component
11 of the armed forces or a member of the Na-
12 tional Guard on full-time National Guard duty,
13 active Guard and Reserve duty, or inactive-duty
14 training (as those terms are defined in section
15 101 of title 10, United States Code); and

16 “(B) has received—

17 “(i) temporary duty orders to deploy
18 with a military unit or military orders to
19 deploy as an individual acting in support of
20 a military operation, to a location that is
21 not within a reasonable distance from the
22 housing, as determined by the Secretary,
23 for a period of not less than 90 days; or

24 “(ii) orders for a permanent change of
25 station.

1 “(2) HEIRS AND BENEFICIARIES OF DECEASED
2 OWNERS.—Housing that meets the criteria described
3 in subsection (b)(1)(C) prior to the death of an
4 owner of such housing shall continue to qualify as
5 affordable housing under this title if—

6 “(A) the housing is the principal residence
7 of an heir or beneficiary of the deceased owner,
8 as defined by the Secretary; and

9 “(B) the heir or beneficiary, in accordance
10 with terms established by the Secretary, as-
11 sumes the duties and obligations of the de-
12 ceased owner with respect to funds provided
13 under this title.”.

14 (i) ELIMINATION OF EXPIRATION OF RIGHT TO
15 DRAW HOME INVESTMENT TRUST FUNDS.—Section 218
16 of the Cranston-Gonzalez National Affordable Housing
17 Act (42 U.S.C. 12748) is amended—

18 (1) by striking subsection (g); and

19 (2) by redesignating subsection (h) as sub-
20 section (g).

21 (j) ADJUSTED RECAPTURE AND REUSE OF SET-
22 ASIDE FOR COMMUNITY HOUSING DEVELOPMENTAL OR-
23 GANIZATIONS.—Section 231(b) of the Cranston-Gonzalez
24 National Affordable Housing Act (42 U.S.C. 12771(b)) is
25 amended to read as follows:

1 “(b) RECAPTURE AND REUSE.—If any funds re-
2 served under subsection (a) remain uninvested for a period
3 of 24 months, the Secretary shall make such funds avail-
4 able to the participating jurisdiction for any eligible activi-
5 ties under this title without regard to whether a commu-
6 nity housing development organization materially partici-
7 pates in the use of such funds.”.

8 (k) ASSET RECYCLING INFORMATION DISSEMINA-
9 TION EXPANSION.—Section 245(b)(2) of the Cranston-
10 Gonzalez National Affordable Housing Act (42 U.S.C.
11 12785(b)(2)) is amended by striking “95 percent” and in-
12 serting “110 percent”.

13 (l) ENVIRONMENTAL REVIEW REQUIREMENTS.—

14 (1) IN GENERAL.—Section 288 of the Cran-
15 ston-Gonzalez National Affordable Housing Act (42
16 U.S.C. 12838) is amended by adding at the end the
17 following:

18 “(e) CATEGORICAL EXEMPTIONS.—The following
19 categories of activities carried out under this title shall
20 be statutorily exempt from environmental review under the
21 National Environmental Policy Act of 1969 (42 U.S.C.
22 4321 et seq.), and shall not require further review under
23 such Act:

24 “(1) New construction infill housing projects.

1 “(2) Acquisition of real property for affordable
2 housing purposes.

3 “(3) Rehabilitation projects carried out pursu-
4 ant to section 212(a)(1).

5 “(4) New construction projects of 15 units or
6 less.

7 “(f) REMOVING DUPLICATIVE REVIEWS.—

8 “(1) IN GENERAL.—To the extent practicable
9 and permitted by law, the Secretary shall ensure
10 that a project that has undergone an environmental
11 review under this section shall not be subject to a
12 duplicative environmental review solely due to the
13 addition, substitution, or reallocation of other
14 sources of Federal assistance, if the scope, scale, and
15 location of the project remain substantially un-
16 changed.

17 “(2) COORDINATION OF ENVIRONMENTAL RE-
18 VIEW RESPONSIBILITIES.—The Secretary shall, by
19 regulation, provide for coordination of environmental
20 review responsibilities with other Federal agencies to
21 streamline interagency compliance and avoid unnec-
22 essary duplication of effort under the National Envi-
23 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
24 seq.) and other applicable laws.

1 “(3) RECOGNITION OF PRIOR REVIEWS BY RE-
2 SPONSIBLE ENTITIES.—A project may not be subject
3 to an environmental review under this section if a
4 substantially similar review has already been com-
5 pleted by an entity designated under section
6 104(g)(1) of the Housing and Community Develop-
7 ment Act of 1974 (42 U.S.C. 5304(g)(1)) or by an-
8 other entity the Secretary determines to have equiv-
9 alent authority, if the scope, scale, and location of
10 the project remain substantially unchanged.”.

11 (2) RULEMAKING.—Not later than 1 year after
12 the date of the enactment of this Act, the Secretary
13 shall issue such rules as the Secretary determines
14 necessary to carry out the amendment made by this
15 subsection.

16 (3) APPLICABILITY.—Any activity generated
17 under this subsection would be subject to an author-
18 ization of appropriations.

19 (4) DEFINITION.—Section 104 of the Cranston-
20 Gonzalez National Affordable Housing Act (42
21 U.S.C. 12704) is amended by striking paragraph
22 (25) and inserting the following:

23 “(25) The term ‘infill housing project’ means a
24 residential housing project that—

1 “(A) is located within the geographic limits
2 of a municipality;

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

6 “(C) is located on a site of previously dis-
7 turbed land of not more than 5 acres; and

8 “(D) is substantially surrounded by resi-
9 dential or commercial development, as deter-
10 mined by the Secretary.”.

11 (m) APPLICATION OF BUILD AMERICA, BUY AMER-
12 ICA REQUIREMENTS FOR HOME INVESTMENT PARTNER-
13 SHIPS PROGRAM.—

14 (1) IN GENERAL.—Not later than 180 days
15 after the date of enactment of this Act, the Sec-
16 retary of Housing and Urban Development (in this
17 subsection referred to as the “Secretary”) shall com-
18 plete a review of the implementation of the Build
19 America, Buy America Act (title IV of division G of
20 Public Law 117–58; 42 U.S.C. 8301 note) with re-
21 spect to the activities assisted under title II of the
22 Cranston-Gonzalez National Affordable Housing Act
23 (42 U.S.C. 12721 et seq.).

24 (2) UPDATED GUIDANCE.—Not later than 90
25 days after the review described in subsection (a) is

1 completed, the Secretary shall issue updated guid-
2 ance to clarify the application of the Build America,
3 Buy America Act (title IV of division G of Public
4 Law 117–58; 42 U.S.C. 8301 note) with respect to
5 the activities assisted under title II of the Cranston-
6 Gonzalez National Affordable Housing Act (42
7 U.S.C. 12721 et seq.).

8 (3) REPORT.—Not later than 270 days after
9 the date of enactment of this Act, the Secretary
10 shall submit to the Committee on Financial Services
11 of the House of Representatives and the Committee
12 on Banking, Housing, and Urban Affairs of the Sen-
13 ate a report that describes—

14 (A) the results of the review required
15 under subsection (a); and

16 (B) the guidance issued as described in
17 subsection (b).

18 (n) APPLICATION OF OTHER SPECIFIED STATUTORY
19 REQUIREMENTS.—Title II of the Cranston-Gonzalez Na-
20 tional Affordable Housing Act (42 U.S.C. 12721 et seq.)
21 is amended by adding at the end the following:

22 **“SEC. 291. NONAPPLICABILITY OF CERTAIN REQUIRE-**
23 **MENTS FOR SMALL PROJECTS.**

24 “Notwithstanding any other provision of law, the re-
25 quirements of section 3 of the Housing and Urban Devel-

1 opment Act of 1968 (12 U.S.C. 1701u), and any imple-
2 menting regulations or guidance, shall not apply to an ac-
3 tivity assisted under this title that involves rehabilitation,
4 construction, or other development of housing if—

5 “(1) the recipient of assistance under this title
6 is—

7 “(A) a State recipient pursuant to section
8 216; or

9 “(B) a participating jurisdiction that re-
10 ceived a total allocation of less than \$3,000,000
11 in the most recent fiscal year pursuant to sec-
12 tion 216; and

13 “(2) the total number of dwelling units assisted
14 as a part of such activity is not more than 50.”.

15 (o) REALLOCATION NOT AVAILABLE FOR CERTAIN
16 JURISDICTIONS.—Section 217(d) of the Cranston-Gon-
17 zalez National Affordable Housing Act (42 U.S.C.
18 12747(d)) is amended—

19 (1) in paragraph (1), by striking the second
20 sentence and inserting the following: “Subject to
21 paragraph (4), jurisdictions eligible for such re-
22 allocations shall include participating jurisdictions
23 and jurisdictions meeting the requirements of this
24 title, including the requirements in paragraphs (3),
25 (4), and (5) of section 216.”; and

1 (2) by adding at the end the following:

2 “(4) REALLOCATION NOT AVAILABLE FOR CER-
3 TAIN JURISDICTIONS.—The Secretary may decline to
4 make a reallocation available to a jurisdiction eligible
5 for such reallocation if such jurisdiction has failed to
6 meet or comply with any requirement under this
7 title.”.

8 (p) AMENDMENTS TO QUALIFICATION AS AFFORD-
9 ABLE HOUSING.—Section 215(a)(1)(E) of the Cranston-
10 Gonzalez National Affordable Housing Act (42 U.S.C.
11 12745(a)) is amended by striking “except upon a fore-
12 closure by a lender (or upon other transfer in lieu of fore-
13 closure) if such action (i) recognizes any contractual or
14 legal rights of public agencies, nonprofit sponsors, or oth-
15 ers to take actions that would avoid termination of low-
16 income affordability in the case of foreclosure or transfer
17 in lieu of foreclosure, and (ii) is not for the purpose of
18 avoiding low-income affordability restrictions, as deter-
19 mined by the Secretary; and” and inserting the following:
20 “except—

21 “(i) upon a foreclosure by a lender (or
22 upon other transfer in lieu of foreclosure)
23 if such action—

24 “(I) recognizes any contractual
25 or legal rights of public agencies, non-

1 profit sponsors, or others to take ac-
2 tions that would avoid termination of
3 low-income affordability in the case of
4 foreclosure or transfer in lieu of fore-
5 closure; and

6 “(II) is not for the purpose of
7 avoiding low-income affordability re-
8 strictions, as determined by the Sec-
9 retary; or

10 “(ii) where existing affordable housing
11 is no longer financially viable due to un-
12 foreseen acts or occurrences beyond the
13 reasonable contemplation or control of the
14 participating jurisdiction in which the af-
15 fordable housing is located or the owner of
16 the affordable housing that significantly
17 impact the financial or physical condition
18 of the affordable housing, as determined by
19 the Secretary; and”.

20 (q) TENANT AND PARTICIPANT PROTECTIONS FOR
21 AFFORDABLE HOUSING.—Section 225 of the Cranston-
22 Gonzalez National Affordable Housing Act (42 U.S.C.
23 12755) is amended by adding at the end the following:

1 “(e) EXCEPTION.—Paragraphs (2), (3), and (4) of
2 subsection (d) shall not apply to housing under this sec-
3 tion that meets the following criteria:

4 “(1) The housing is affordable housing with not
5 more than 4 dwelling units, each of which is made
6 available for rental.

7 “(2) Each dwelling unit in the housing bears
8 rent in an amount that complies with the require-
9 ments described in paragraph (1)(A).

10 “(3) Each dwelling unit in the housing is ac-
11 companied by a low-income family.

12 “(4) No dwelling in the housing is refused for
13 leasing to a holder of a voucher under section 8 of
14 the United States Housing Act of 1937 (42 U.S.C.
15 1437f) because of the status of the prospective ten-
16 ant as a holder of that voucher.

17 “(5) The housing complies with the requirement
18 described in paragraph (1)(E).

19 “(6) The participating jurisdiction in which the
20 housing is located monitors the compliance of the
21 housing with the requirements of this title in a man-
22 ner consistent with the purposes of section 226(b),
23 as determined by the Secretary.”.

24 (f) REVISION OF DEFINITION OF COMMUNITY LAND
25 TRUST.—Section 104 of the Cranston-Gonzalez National

1 Affordable Housing Act (42 U.S.C. 12704), as amended
2 by subsection (l)(4), is amended by adding at the end the
3 following:

4 “(26) The term ‘community land trust’ means
5 a nonprofit entity, a State, a unit of local govern-
6 ment, or an instrumentality of a State or unit of
7 local government that—

8 “(A) is not managed by, or an affiliate of,
9 a for profit organization;

10 “(B) has as a primary purpose of acquir-
11 ing, developing, or holding land to provide hous-
12 ing that is permanently affordable to low- and
13 moderate-income persons;

14 “(C) monitors properties to ensure afford-
15 ability is preserved;

16 “(D) provides housing that is permanently
17 affordable to low- and moderate-income persons
18 using a ground lease, deed covenant, or other
19 similar legally enforceable measure, determined
20 acceptable by the Secretary, that—

21 “(i) keeps housing affordable to low-
22 and moderate-income persons for not less
23 than 30 years; and

1 “(ii) enables low- and moderate-in-
2 come persons to rent or purchase the hous-
3 ing for home-ownership; and

4 “(E) maintains preemptive purchase op-
5 tions to purchase the property if such purchase
6 would allow the housing to remain affordable to
7 low-and moderate-income persons.”.

8 (s) SET-ASIDE FOR COMMUNITY HOUSING DEVELOP-
9 MENT ORGANIZATIONS.—Section 231(a) of the Cranston-
10 Gonzalez National Affordable Housing Act (42 U.S.C.
11 12771(a)) is amended, in the first sentence, by striking
12 “to be developed, sponsored, or owned by community hous-
13 ing development organizations” and inserting “when a
14 community housing development organization materially
15 participates in the ownership or development of that hous-
16 ing, as determined by the Secretary”.

17 (t) ADMINISTRATIVE REFORMS.—

18 (1) INCREASE IN PROGRAM ADMINISTRATION
19 RESOURCES.—Section 220(b) of the Cranston-Gon-
20 zalez National Affordable Housing Act (42 U.S.C.
21 12750(b)) is amended—

22 (A) by striking paragraph (2);

23 (B) by striking “RECOGNITION.—” and all
24 that follows through “A contribution” and in-
25 serting “RECOGNITION.—A contribution”; and

1 (C) by redesignating subparagraphs (A)
2 and (B) as paragraphs (1) and (2), respectively,
3 and adjusting the margins accordingly.

4 (2) MODIFICATION OF JURISDICTIONS ELIGIBLE
5 FOR REALLOCATIONS.—Section 217(d)(3) of the
6 Cranston-Gonzalez National Affordable Housing Act
7 (42 U.S.C. 12747(d)(3)) is amended—

8 (A) in the paragraph heading, by striking
9 “LIMITATION” and inserting “LIMITATIONS”;
10 and

11 (B) by striking “Unless otherwise speci-
12 fied” and inserting the following:

13 “(A) REMOVAL OF PARTICIPATING JURIS-
14 DICTIONS FROM REALLOCATION.—The Sec-
15 retary may, upon a finding that the partici-
16 pating jurisdiction has failed to meet or comply
17 with the requirements of this title, remove a
18 participating jurisdiction from participation in
19 reallocations of funds made available under this
20 title.

21 “(B) REALLOCATION TO SAME TYPE OF
22 ENTITY.—Unless otherwise specified”.

23 (3) HOME PROPERTY INSPECTIONS.—Section
24 226(b) of the Cranston-Gonzalez National Afford-

1 able Housing Act (42 U.S.C. 12756(b)) is amend-
2 ed—

3 (A) by striking “Each participating juris-
4 diction” and inserting the following:

5 “(1) IN GENERAL.—Each participating jurisdic-
6 tion”; and

7 (B) by striking “Such review shall include”
8 and all that follows and inserting the following:

9 “(2) ONSITE INSPECTIONS.—

10 “(A) INSPECTIONS BY UNITS OF GENERAL
11 LOCAL GOVERNMENT.—A review conducted
12 under paragraph (1) by a participating jurisdic-
13 tion that is a unit of general local government
14 shall include an onsite inspection to determine
15 compliance with housing codes and other appli-
16 cable regulations.

17 “(B) INSPECTIONS BY STATES.—A review
18 conducted under paragraph (1) by a partici-
19 pating jurisdiction that is a State shall include
20 an onsite inspection to determine compliance
21 with a national standard as determined by the
22 Secretary.

23 “(3) INCLUSION IN PERFORMANCE REPORT AND
24 PUBLICATION.—A participating jurisdiction shall in-
25 clude in the performance report of the participating

1 jurisdiction submitted to the Secretary under section
2 108(a), and make available to the public, the results
3 of each review conducted under paragraph (1).”.

4 (4) REVISIONS TO STRENGTHEN ENFORCEMENT
5 AND PENALTIES FOR NONCOMPLIANCE.—Section
6 223 of the Cranston-Gonzalez National Affordable
7 Housing Act (42 U.S.C. 12753) is amended—

8 (A) in the section heading, by striking
9 “**PENALTIES FOR MISUSE OF FUNDS**” and
10 inserting “**PROGRAM ENFORCEMENT AND**
11 **PENALTIES FOR NONCOMPLIANCE**”;

12 (B) in the matter preceding paragraph (1),
13 by inserting after “any provision of this sub-
14 title” the following: “, including any provision
15 applicable throughout the period required by
16 section 215(a)(1)(E) and applicable regula-
17 tions,”;

18 (C) in paragraph (2), by striking “or” at
19 the end;

20 (D) in paragraph (3), by striking the pe-
21 riod at the end and inserting “; or”; and

22 (E) by adding at the end the following:

23 “(4) reduce payments to the participating juris-
24 diction under this subtitle by an amount equal to the
25 amount of such payments that were not expended by

1 the participating jurisdiction in accordance with this
2 title.”.

3 (u) MINIMUM ALLOCATIONS.—Section 217(b) of the
4 Cranston-Gonzalez National Affordable Housing Act (42
5 U.S.C. 12747 (b)) is amended—

6 (1) in paragraph (2), by striking “\$500,000”
7 each place that term appears and inserting
8 “\$750,000”;

9 (2) in paragraph (3)—

10 (A) by striking “jurisdictions that are allo-
11 cated an amount of \$500,000 or more” and in-
12 serting “jurisdictions that are allocated an
13 amount of \$750,000 or more”;

14 (B) by striking “that are allocated an
15 amount less than \$500,000” and inserting
16 “that are allocated an amount less than
17 \$500,000 before the date of enactment of the
18 21st Century ROAD to Housing Act or less
19 than \$750,000 on or after the date of enact-
20 ment of the 21st Century ROAD to Housing
21 Act”; and

22 (C) by striking “, except as provided in
23 paragraph (4)”; and

24 (3) by striking paragraph (4).

1 (v) TECHNICAL AND CONFORMING AMENDMENTS.—

2 The Cranston-Gonzalez National Affordable Housing Act

3 (42 U.S.C. 12701 et seq.) is amended—

4 (1) by striking “Stewart B. McKinney Home-
5 less Assistance Act” each place that term appears
6 and inserting “McKinney-Vento Homeless Assist-
7 ance Act”;

8 (2) by striking “Committee on Banking, Fi-
9 nance and Urban Affairs” each place that term ap-
10 pears and inserting “Committee on Financial Serv-
11 ices”;

12 (3) in the table of contents in section 1(b)
13 (Public Law 101–625; 104 Stat. 4079)—

14 (A) by striking the item relating to section
15 205 and inserting the following:

“Sec. 205. Authorization of program.”;

16 (B) by striking the item relating to section
17 223 and inserting the following:

“Sec. 223. Program enforcement and penalties for noncompliance.”; and

18 (C) by inserting after the item relating to
19 section 290 the following:

“Sec. 291. Nonapplicability of certain requirements for small projects.”;

20 (4) in section 104 (42 U.S.C. 12704)—

21 (A) by redesignating paragraph (23) (re-
22 lating to the definition of the term “to dem-

1 onstrate to the Secretary”) as paragraph (22);
2 and

3 (B) by redesignating paragraph (24) (re-
4 lating to the definition of the term “insular
5 area”, as added by section 2(2) of Public Law
6 102–230) as paragraph (23);

7 (5) in section 105(b)(8) (42 U.S.C.
8 12705(b)(8)), by striking “subparagraphs” and in-
9 serting “paragraphs”;

10 (6) in section 108(a)(1) (42 U.S.C.
11 12708(a)(1)), by striking “section 105(b)(15)” and
12 inserting “section 105(b)(18)”;

13 (7) in section 212 (42 U.S.C. 12742)—

14 (A) in subsection (a)(3)(A)(ii), by inserting
15 “United States” before “Housing Act”;

16 (B) in subsection (d)(5), by inserting
17 “United States” before “Housing Act”; and

18 (C) in subsection (e)(1)—

19 (i) by striking “section 221(d)(3)(ii)”
20 and inserting “section 221(d)(4)”;

21 (ii) by striking “not to exceed 140
22 percent” and inserting “as determined by
23 the Secretary”;

1 (8) in section 215(a)(6)(B) (42 U.S.C.
2 12745(a)(6)(B)), by striking “grand children” and
3 inserting “grandchildren”;

4 (9) in section 217 (42 U.S.C. 12747)—

5 (A) in subsection (a)—

6 (i) in paragraph (1), by striking “(3)”
7 and inserting “(2)”;

8 (ii) by striking paragraph (3), as
9 added by section 211(a)(2)(D) of the
10 Housing and Community Development Act
11 of 1992 (Public Law 102–550; 106 Stat.
12 3756); and

13 (iii) by redesignating the remaining
14 paragraph (3), as added by the matter
15 under the heading “HOME INVESTMENT
16 PARTNERSHIPS PROGRAM” under the head-
17 ing “HOUSING PROGRAMS” in title II of
18 the Departments of Veterans Affairs and
19 Housing and Urban Development, and
20 Independent Agencies Appropriations Act,
21 1993 (Public Law 102–389; 106 Stat.
22 1581), as paragraph (2); and

23 (B) in subsection (b)(1)—

24 (i) in subparagraph (A), in the first
25 sentence—

1 (I) by striking “in regulation”
2 and inserting “, by regulation,”; and

3 (II) by striking “eligible jurisdic-
4 tion” and inserting “eligible jurisdic-
5 tions”; and

6 (ii) in subparagraph (F), in the first
7 sentence—

8 (I) in clause (i), by striking
9 “Subcommittee on Housing and
10 Urban Affairs” and inserting “Sub-
11 committee on Housing, Transpor-
12 tation, and Community Development”;
13 and

14 (II) in clause (ii), by striking
15 “Subcommittee on Housing and Com-
16 munity Development of the Committee
17 on Banking, Finance and Urban Af-
18 fairs” and inserting “Subcommittee
19 on Housing and Insurance of the
20 Committee on Financial Services”;

21 (10) in section 220(c) (42 U.S.C. 12750(c))—

22 (A) in paragraph (3), by striking “Sec-
23 retary” and all that follows and inserting “Sec-
24 retary;”;

1 (B) in paragraph (4), by striking “under
2 this title” and all that follows and inserting
3 “under this title;”; and

4 (C) by redesignating paragraphs (6), (7),
5 and (8) as paragraphs (5), (6), and (7), respec-
6 tively;

7 (11) in section 225(d)(4)(B) (42 U.S.C.
8 12755(d)(4)(B)), by striking “for” the first place
9 that term appears; and

10 (12) in section 233 (42 U.S.C. 12773)—

11 (A) in subsection (b)(6), by striking “to
12 community land trusts (as such term is defined
13 in subsection (f))” and inserting “to community
14 land trusts (as such term is defined in section
15 104)”; and

16 (B) by striking subsection (f).

17 **SEC. 502. RURAL HOUSING SERVICE REFORM ACT.**

18 (a) APPLICATION OF MULTIFAMILY MORTGAGE
19 FORECLOSURE PROCEDURES TO MULTIFAMILY MORT-
20 GAGES HELD BY THE SECRETARY OF AGRICULTURE AND
21 PRESERVATION OF THE RENTAL ASSISTANCE CONTRACT
22 UPON FORECLOSURE.—

23 (1) MULTIFAMILY MORTGAGE PROCEDURES.—

24 Section 363(2)(F) of the Multifamily Mortgage

1 Foreclosure Act of 1981 (12 U.S.C. 3702(2)) is
2 amended—

3 (A) by striking “or 515” and inserting
4 “515, or 538”; and

5 (B) by inserting “, 1490p-2” after
6 “1485”.

7 (2) PRESERVATION OF CONTRACT.—Section
8 521(d) of the Housing Act of 1949 (42 U.S.C.
9 1490a(d)) is amended by adding at the end the fol-
10 lowing:

11 “(3) Notwithstanding any other provision of law, in
12 managing and disposing of any multifamily property that
13 is owned or has a mortgage held by the Secretary, and
14 during the process of foreclosure on any property with a
15 contract for rental assistance under this section—

16 “(A) the Secretary shall maintain any rental as-
17 sistance payments that are attached to any dwelling
18 units in the property; and

19 “(B) the rental assistance contract may be used
20 to provide further assistance to existing projects
21 under 514, 515, or 516.”.

22 (b) STUDY ON RURAL HOUSING LOANS FOR HOUS-
23 ING FOR LOW- AND MODERATE-INCOME FAMILIES.—Not
24 later than 6 months after the date of enactment of this
25 Act, the Secretary of Agriculture shall conduct a study

1 and submit to Congress a publicly available report on the
2 loan program under section 521 of the Housing Act of
3 1949 (42 U.S.C. 1490a), including—

4 (1) the total amount provided by the Secretary
5 in subsidies under such section 521 to borrowers
6 with loans made pursuant to section 502 of such Act
7 (42 U.S.C. 1472);

8 (2) how much of the subsidies described in
9 paragraph (1) are being recaptured; and

10 (3) the amount of time and costs associated
11 with recapturing those subsidies.

12 (c) STAFFING AND INFORMATION TECHNOLOGY UP-
13 GRADES.—Utilizing funds appropriated for such purposes,
14 the Secretary of Agriculture may increase staffing capac-
15 ity and upgrade information technology to support all
16 Rural Housing Service programs.

17 (d) TECHNICAL IMPROVEMENTS.—

18 (1) AUTHORIZATION OF APPROPRIATIONS.—
19 Utilizing funds appropriated for such purposes, the
20 Secretary of Agriculture may make improvements to
21 the technology of the Rural Housing Service of the
22 Department of Agriculture used to process and man-
23 age housing loans.

24 (2) AVAILABILITY.—Amounts appropriated pur-
25 suant to paragraph (1) shall remain available until

1 the date that is 5 years after the date of the appro-
2 priation.

3 (3) **TIMELINE.**—The Secretary of Agriculture
4 shall make the improvements described in paragraph
5 (1) during the 5-year period beginning on the date
6 on which amounts are appropriated under paragraph
7 (1).

8 (e) **PERMANENT ESTABLISHMENT OF HOUSING**
9 **PRESERVATION AND REVITALIZATION PROGRAM.**—Title
10 V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.)
11 is amended by adding at the end the following:

12 **“SEC. 545. HOUSING PRESERVATION AND REVITALIZATION**
13 **PROGRAM.**

14 “(a) **ESTABLISHMENT.**—The Secretary shall carry
15 out a program under this section for the preservation and
16 revitalization of multifamily rental housing projects fi-
17 nanced under section 514, 515, or 516.

18 “(b) **NOTICE OF MATURING LOANS.**—

19 “(1) **TO OWNERS.**—On an annual basis, the
20 Secretary shall provide written notice to each owner
21 of a property financed under section 514, 515, or
22 516 that will mature within the 4-year period begin-
23 ning upon the provision of the notice, setting forth
24 the options and financial incentives that are avail-
25 able to facilitate the extension of the loan term or

1 the option to decouple a rental assistance contract
2 pursuant to subsection (f).

3 “(2) TO TENANTS.—

4 “(A) IN GENERAL.—On an annual basis,
5 for each property financed under section 514,
6 515, or 516, not later than the date that is 2
7 years before the date that the loan will mature,
8 the Secretary shall provide written notice to
9 each household residing in the property that in-
10 forms them of—

11 “(i) the date of the loan maturity;

12 “(ii) the possible actions that may
13 happen with respect to the property upon
14 that maturity; and

15 “(iii) how to protect their right to re-
16 side in federally assisted housing, or how
17 to secure housing voucher, after that ma-
18 turity.

19 “(B) LANGUAGE.—Notice under this para-
20 graph shall be provided in plain English and
21 shall be translated to other languages in the
22 case of any property located in an area in which
23 a significant number of residents speak such
24 other languages.

1 “(c) LOAN RESTRUCTURING.—Under the program
2 under this section, in any circumstance in which the Sec-
3 retary proposes a restructuring to an owner or an owner
4 proposes a restructuring to the Secretary, the Secretary
5 may restructure such existing housing loans, as the Sec-
6 retary considers appropriate, for the purpose of ensuring
7 that those projects have sufficient resources to preserve
8 the projects to provide safe and affordable housing for low-
9 income residents and farm laborers, by—

10 “(1) reducing or eliminating interest;

11 “(2) deferring loan payments;

12 “(3) subordinating, reducing, or reamortizing
13 loan debt;

14 “(4) providing other financial assistance, in-
15 cluding advances, payments, and incentives (includ-
16 ing the ability of owners to obtain reasonable re-
17 turns on investment) required by the Secretary; and

18 “(5) permanently removing a portion of the
19 housing units from income restrictions when sus-
20 tained vacancies have occurred.

21 “(d) RENEWAL OF RENTAL ASSISTANCE.—

22 “(1) IN GENERAL.—When the Secretary pro-
23 poses to restructure a loan or agrees to the proposal
24 of an owner to restructure a loan pursuant to sub-
25 section (c), the Secretary shall offer to renew the

1 rental assistance contract under section 521(a)(2)
2 for a term that is the shorter of 20 years and the
3 term of the restructured loan, subject to annual ap-
4 propriations, provided that the owner agrees to bring
5 the property up to such standards that will ensure
6 maintenance of the property as decent, safe, and
7 sanitary housing for the full term of the rental as-
8 sistance contract.

9 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
10 respect to a project described in paragraph (1), if
11 rental assistance is not available for all households
12 in the project for which the loan is being restruc-
13 tured pursuant to subsection (c), the Secretary may
14 extend such additional rental assistance to unas-
15 sisted households at that project as is necessary to
16 make the project safe and affordable to low-income
17 households.

18 “(e) RESTRICTIVE USE AGREEMENTS.—

19 “(1) REQUIREMENT.—As part of the preserva-
20 tion and revitalization agreement for a project, the
21 Secretary shall obtain a restrictive use agreement
22 that is recorded and obligates the owner to operate
23 the project in accordance with this title.

24 “(2) TERM.—

1 “(A) NO EXTENSION OF RENTAL ASSIST-
2 ANCE CONTRACT.—Except when the Secretary
3 enters into a 20-year extension of the rental as-
4 sistance contract for a project, the term of the
5 restrictive use agreement for the project shall
6 be consistent with the term of the restructured
7 loan for the project.

8 “(B) EXTENSION OF RENTAL ASSISTANCE
9 CONTRACT.—If the Secretary enters into a 20-
10 year extension of the rental assistance contract
11 for a project, the term of the restrictive use
12 agreement for the project shall be for the longer
13 of—

14 “(i) 20 years; or

15 “(ii) the remaining term of the loan
16 for that project.

17 “(C) TERMINATION.—The Secretary may
18 terminate the 20-year restrictive use agreement
19 for a project before the end of the term of the
20 agreement if the 20-year rental assistance con-
21 tract for the project with the owner is termi-
22 nated at any time for reasons outside the con-
23 trol of the owner.

24 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

1 “(1) RENEWAL OF RENTAL ASSISTANCE CON-
2 TRACT.—If the Secretary determines that a loan ma-
3 turing during the 4-year period beginning upon the
4 provision of the notice required under subsection
5 (b)(1) for a project cannot reasonably be restruc-
6 tured in accordance with subsection (c) because it is
7 not financially feasible or the owner does not agree
8 with the proposed restructuring, and the project was
9 operating with rental assistance under section 521
10 and the recipient is a borrower under section 514 or
11 515, the Secretary may renew the rental assistance
12 contract, notwithstanding any requirement under
13 section 521 that the recipient be a current borrower
14 under section 514 or 515, for a term of 20 years,
15 subject to annual appropriations.

16 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
17 respect to a project described in paragraph (1), if
18 rental assistance is not available for all households
19 in the project for which the loan is being restruc-
20 tured pursuant to subsection (c), the Secretary may
21 extend such additional rental assistance to unas-
22 sisted households at that project as is necessary to
23 make the project safe and affordable to low-income
24 households.

25 “(3) RENTS.—

1 “(A) IN GENERAL.—Any agreement to ex-
2 tend the term of the rental assistance contract
3 under section 521 for a project shall obligate
4 the owner to continue to maintain the project
5 as decent, safe, and sanitary housing and to op-
6 erate the development as affordable housing in
7 a manner that meets the goals of this title.

8 “(B) RENT AMOUNTS.—Subject to sub-
9 paragraph (C), in setting rents, the Secretary—

10 “(i) shall determine the maximum ini-
11 tial rent based on current fair market
12 rents established under section 8 of the
13 United States Housing Act of 1937 (42
14 U.S.C. 1437f); and

15 “(ii) may annually adjust the rent de-
16 termined under clause (i) by the operating
17 cost adjustment factor as provided under
18 section 524 of the Multifamily Assisted
19 Housing Reform and Affordability Act of
20 1997 (42 U.S.C. 1437f note).

21 “(C) HIGHER RENT.—

22 “(i) IN GENERAL.—Subparagraph (B)
23 shall not apply if the Secretary determines
24 that the budget-based needs of a project

1 require a higher rent than the rent de-
2 scribed in subparagraph (B).

3 “(ii) RENT.—If the Secretary makes a
4 positive determination under clause (i), the
5 Secretary may approve a budget-based rent
6 level for the project.

7 “(4) CONDITIONS FOR APPROVAL.—Before the
8 approval of a rental assistance contract authorized
9 under this section, the Secretary shall require,
10 through an annual notice in the Federal Register,
11 the owner to submit to the Secretary a plan that
12 identifies financing sources and a timetable for ren-
13 ovations and improvements determined to be nec-
14 essary by the Secretary to maintain and preserve the
15 project.

16 “(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL
17 ASSISTANCE.—Under the program under this section, the
18 Secretary may provide grants to qualified nonprofit orga-
19 nizations, housing cooperative corporations, and public
20 housing agencies to provide technical assistance, including
21 financial and legal services, to borrowers under loans
22 under this title for multifamily housing to facilitate the
23 acquisition or preservation of such multifamily housing
24 properties in areas where the Secretary determines there
25 is a risk of loss of affordable housing.

1 “(h) ADMINISTRATIVE EXPENSES.—Of any amounts
2 made available for the program under this section for any
3 fiscal year, the Secretary may use not more than
4 \$1,000,000 for administrative expenses for carrying out
5 such program.

6 “(i) RULEMAKING.—

7 “(1) IN GENERAL.—Not later than 180 days
8 after the date of enactment of the 21st Century
9 ROAD to Housing Act, the Secretary shall—

10 “(A) publish an advance notice of proposed
11 rulemaking; and

12 “(B) consult with appropriate stake-
13 holders.

14 “(2) INTERIM FINAL RULE.—Not later than 1
15 year after the date of enactment of the 21st Century
16 ROAD to Housing Act, the Secretary shall publish
17 an interim final rule to carry out this section.”.

18 “(f) RENTAL ASSISTANCE CONTRACT AUTHORITY.—
19 Section 521(d) of the Housing Act of 1949 (42 U.S.C.
20 1490a(d)), as amended by this section, is amended—

21 “(1) in paragraph (1)—

22 “(A) by redesignating subparagraphs (B)
23 and (C) as subparagraphs (C) and (D), respec-
24 tively;

1 (B) by inserting after subparagraph (A)
2 the following:

3 “(B) upon request of an owner of a project fi-
4 nanced under section 514 or 515, the Secretary is
5 authorized to enter into renewal of such agreements
6 for a period of 20 years or the term of the loan,
7 whichever is shorter, subject to amounts made avail-
8 able in appropriations Acts;”;

9 (C) in subparagraph (C), as so redesign-
10 nated, by striking “subparagraph (A)” and in-
11 serting “subparagraphs (A) and (B)”; and

12 (D) in subparagraph (D), as so redesign-
13 nated, by striking “subparagraphs (A) and
14 (B)” and inserting “subparagraphs (A), (B),
15 and (C)”; and

16 (2) in paragraph (2), by striking “shall” and
17 inserting “may”; and

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

19 “(4) In the case of any rental assistance contract au-
20 thority that becomes available because of the termination
21 of assistance on behalf of an assisted family—

22 “(A) at the option of the owner of the rental
23 project, the Secretary shall provide the owner a pe-
24 riod of not more than 6 months before unused as-
25 sistance is made available pursuant to subparagraph

1 (B) during which the owner may use such authority
2 to provide assistance on behalf of an eligible unas-
3 sisted family that—

4 “(i) is residing in the same rental project
5 in which the assisted family resided before the
6 termination; or

7 “(ii) newly occupies a dwelling unit in the
8 rental project during that 6-month period; and

9 “(B) except for assistance used as provided in
10 subparagraph (A), the Secretary shall use such re-
11 maining authority to provide assistance on behalf of
12 eligible families residing in other rental projects
13 originally financed under section 514, 515, or 516.”.

14 (g) MODIFICATIONS TO LOANS AND GRANTS FOR
15 MINOR IMPROVEMENTS TO FARM HOUSING AND BUILD-
16 INGS; INCOME ELIGIBILITY.—Section 504(a) of the Hous-
17 ing Act of 1949 (42 U.S.C. 1474(a)) is amended—

18 (1) in the first sentence, by inserting “and may
19 make a loan to an eligible low-income applicant”
20 after “applicant”; and

21 (2) by striking “\$7,500” and inserting
22 “\$15,000”.

23 (h) RURAL COMMUNITY DEVELOPMENT INITIA-
24 TIVE.—Subtitle E of the Consolidated Farm and Rural

1 Development Act (7 U.S.C. 2009 et seq.) is amended by
2 adding at the end the following:

3 **“SEC. 3810. RURAL COMMUNITY DEVELOPMENT INITIA-**
4 **TIVE.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
7 tity’ means—

8 “(A) a private, nonprofit community-based
9 housing or community development organiza-
10 tion;

11 “(B) a rural community; or

12 “(C) a federally recognized Indian tribe.

13 “(2) ELIGIBLE INTERMEDIARY.—The term ‘eli-
14 gible intermediary’ means a qualified—

15 “(A) private, nonprofit organization; or

16 “(B) public organization.

17 “(b) ESTABLISHMENT.—The Secretary shall estab-
18 lish a Rural Community Development Initiative, under
19 which the Secretary shall provide grants, subject to the
20 availability of appropriations, to eligible intermediaries to
21 carry out programs to provide financial and technical as-
22 sistance to eligible entities to develop the capacity and
23 ability of eligible entities to carry out projects to improve
24 housing, community facilities, and community and eco-
25 nomic development projects in rural areas.

1 “(c) AMOUNT OF GRANTS.—The amount of a grant
2 provided to an eligible intermediary under this section
3 shall be not more than \$500,000.

4 “(d) MATCHING FUNDS.—

5 “(1) IN GENERAL.—An eligible intermediary re-
6 ceiving a grant under this section shall provide
7 matching funds from other sources, including Fed-
8 eral funds for related activities, in an amount not
9 less than the amount of the grant.

10 “(2) WAIVER.—The Secretary may waive para-
11 graph (1) with respect to a project that would be
12 carried out in a persistently poor rural region, as de-
13 termined by the Secretary.”.

14 (i) ANNUAL REPORT ON RURAL HOUSING PRO-
15 GRAMS.—Title V of the Housing Act of 1949 (42 U.S.C.
16 1471 et seq.), as amended by this section, is amended by
17 adding at the end the following:

18 **“SEC. 546. ANNUAL REPORT.**

19 “(a) IN GENERAL.—The Secretary shall submit to
20 the appropriate committees of Congress and publish on
21 the website of the Department of Agriculture an annual
22 report on rural housing programs carried out under this
23 title, which shall include significant details on the health
24 of Rural Housing Service programs, including—

1 “(1) raw data sortable by programs and by re-
2 gion regarding loan performance;

3 “(2) the housing stock of those programs, in-
4 cluding information on why properties end participa-
5 tion in those programs, such as for maturation, pre-
6 payment, foreclosure, or other servicing issues; and

7 “(3) risk ratings for properties assisted under
8 those programs.

9 “(b) PROTECTION OF INFORMATION.—The data in-
10 cluded in each report required under subsection (a) may
11 be aggregated or anonymized to protect participant finan-
12 cial or personal information.”.

13 (j) GAO REPORT ON RURAL HOUSING SERVICE
14 TECHNOLOGY.—Not later than 1 year after the date of
15 enactment of this Act, the Comptroller General of the
16 United States shall submit to Congress a report that in-
17 cludes—

18 (1) an analysis of how the outdated technology
19 used by the Rural Housing Service impacts partici-
20 pants in the programs of the Rural Housing Service;

21 (2) an estimate of the amount of funding that
22 is needed to modernize the technology used by the
23 Rural Housing Service; and

24 (3) an estimate of the number and type of new
25 employees the Rural Housing Service needs to mod-

1 ernize the technology used by the Rural Housing
2 Service.

3 (k) ADJUSTMENT TO RURAL DEVELOPMENT VOUCH-
4 ER AMOUNT.—

5 (1) IN GENERAL.—Not later than 2 years after
6 the date of enactment of this Act, the Secretary of
7 Agriculture shall issue regulations to establish a
8 process for adjusting the voucher amount provided
9 under section 542 of the Housing Act of 1949 (42
10 U.S.C. 1490r) after the issuance of the voucher fol-
11 lowing an interim or annual review of the amount of
12 the voucher.

13 (2) INTERIM REVIEW.—The interim review de-
14 scribed in paragraph (1) shall, at the request of a
15 tenant, allow for a recalculation of the voucher
16 amount when the tenant experiences a reduction in
17 income, change in family composition, or change in
18 rental rate.

19 (3) ANNUAL REVIEW.—

20 (A) IN GENERAL.—The annual review de-
21 scribed in paragraph (1) shall require tenants
22 to annually recertify the family composition of
23 the household and that the family income of the
24 household does not exceed 80 percent of the

1 area median income at a time determined by
2 the Secretary of Agriculture.

3 (B) CONSIDERATIONS.—If a tenant does
4 not recertify the family composition and family
5 income of the household within the time frame
6 required under subparagraph (A), the Secretary
7 of Agriculture—

8 (i) shall consider whether extenuating
9 circumstances caused the delay in recertifi-
10 cation; and

11 (ii) may alter associated consequences
12 for the failure to recertify based on those
13 circumstances.

14 (C) EFFECTIVE DATE.—Following the an-
15 nual review of a voucher under paragraph (1),
16 the updated voucher amount shall be effective
17 on the 1st day of the month following the expi-
18 ration of the voucher.

19 (4) DEADLINE.—The process established under
20 paragraph (1) shall require the Secretary of Agri-
21 culture to review and update the voucher amount de-
22 scribed in paragraph (1) for a tenant not later than
23 60 days before the end of the voucher term.

1 (l) ELIGIBILITY FOR RURAL HOUSING VOUCHERS.—

2 Section 542 of the Housing Act of 1949 (42 U.S.C.

3 1490r) is amended by adding at the end the following:

4 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTIONS

5 514, 515, AND 516 PROJECTS.—The Secretary may pro-

6 vide rural housing vouchers under this section for any low-

7 income household (including those not receiving rental as-

8 sistance) residing for a term longer than the remaining

9 term of their lease that is in effect on the date of prepay-

10 ment, foreclosure, or mortgage maturity, in a property fi-

11 nanced with a loan under section 514 or 515 or a grant

12 under section 516 that has—

13 “(1) been prepaid with or without restrictions

14 imposed by the Secretary pursuant to section

15 502(c)(5)(G)(ii)(I);

16 “(2) been foreclosed; or

17 “(3) matured after September 30, 2005.”.

18 (m) AMOUNT OF VOUCHER ASSISTANCE.—Notwith-

19 standing any other provision of law, in the case of any

20 rural housing voucher provided pursuant to section 542

21 of the Housing Act of 1949 (42 U.S.C. 1490r), the

22 amount of the monthly assistance payment for the house-

23 hold on whose behalf the assistance is provided shall be

24 determined as provided in subsection (a) of such section

25 542, including providing for interim and annual review of

1 the voucher amount in the event of a change in household
2 composition or income or rental rate.

3 (n) TRANSFER OF MULTIFAMILY RURAL HOUSING
4 PROJECTS.—Section 515 of the Housing Act of 1949 (42
5 U.S.C. 1485) is amended—

6 (1) in subsection (h), by adding at the end the
7 following:

8 “(3) TRANSFER TO NONPROFIT ORGANIZA-
9 TIONS.—A nonprofit or public body purchaser, in-
10 cluding a limited partnership with a general partner
11 with the principal purpose of providing affordable
12 housing, may purchase a property for which a loan
13 is made or insured under this section that has re-
14 ceived a market value appraisal, without addressing
15 rehabilitation needs at the time of purchase, if the
16 purchaser—

17 “(A) makes a commitment to address re-
18 habilitation needs during ownership and long-
19 term use restrictions on the property; and

20 “(B) at the time of purchase, accepts long-
21 term use restrictions on the property.”; and

22 (2) in subsection (w)(1), in the first sentence in
23 the matter preceding subparagraph (A), by striking
24 “9 percent” and inserting “25 percent”.

25 (o) EXTENSION OF LOAN TERM.—

1 (1) IN GENERAL.—Section 502(a)(2) of the
2 Housing Act of 1949 (42 U.S.C. 1472(a)(2)) is
3 amended—

4 (A) by inserting “(A)” before “The Sec-
5 retary”;

6 (B) in subparagraph (A), as so designated,
7 by striking “paragraph” and inserting “sub-
8 paragraph”; and

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

10 “(B) The Secretary may refinance or modify
11 the period of any loan, including any refinanced
12 loan, made under this section in accordance with
13 terms and conditions as the Secretary shall pre-
14 scribe, but in no event shall the total term of the
15 loan from the date of the refinance or modification
16 exceed 40 years.”.

17 (2) APPLICATION.—The amendment made
18 under paragraph (1) shall apply with respect to
19 loans made under section 502 of the Housing Act of
20 1949 (42 U.S.C. 1472) before, on, or after the date
21 of enactment of this Act.

22 (p) RELEASE OF LIABILITY FOR SECTION 502 GUAR-
23 ANTEED BORROWER UPON ASSUMPTION OF ORIGINAL
24 LOAN BY NEW BORROWER.—Section 502(h) of the Hous-
25 ing Act of 1949 (42 U.S.C. 1472(h)) is amended—

1 (1) by striking paragraph (10) and inserting
2 the following:

3 “(10) TRANSFER AND ASSUMPTION.—Upon the
4 transfer of property for which a guaranteed loan
5 under this subsection was made, and the assumption
6 of the guaranteed loan by an approved eligible bor-
7 rower, the original borrower of a guaranteed loan
8 under this subsection shall be relieved of liability
9 with respect to the loan.”;

10 (2) by redesignating paragraph (16) as para-
11 graph (17); and

12 (3) by inserting after paragraph (15) the fol-
13 lowing:

14 “(16) FEE.—

15 “(A) IN GENERAL.—The mortgagee may
16 charge an assuming borrower a reasonable and
17 customary processing fee for an assumption re-
18 quest made under this subsection.

19 “(B) MAXIMUM FEE.—The Secretary shall
20 set a maximum allowable fee described in sub-
21 paragraph (A), which may be indexed for infla-
22 tion.”.

23 (q) DEPARTMENT OF AGRICULTURE LOAN RESTRIC-
24 TIONS.—

1 (1) DEFINITIONS.—In this subsection, the
2 terms “State” and “tribal organization” have the
3 meanings given those terms in section 658P of the
4 Child Care and Development Block Grant Act of
5 1990 (42 U.S.C. 9858n).

6 (2) REVISION.—The Secretary of Agriculture
7 shall revise section 3555.102(c) of title 7, Code of
8 Federal Regulations, to exclude from the restriction
9 under that section—

10 (A) a home-based business that is a li-
11 censed, registered, or regulated child care pro-
12 vider under State law or by a tribal organiza-
13 tion; and

14 (B) an applicant that has applied to be-
15 come a licensed, registered, or regulated child
16 care provider under State law or by a tribal or-
17 ganization.

18 (r) LOAN GUARANTEES.—Section 502(h)(4) of the
19 Housing Act of 1949 (42 U.S.C. 1472(h)(4)) is amend-
20 ed—

21 (1) by redesignating subparagraphs (A), (B),
22 and (C) as clauses (i), (ii), and (iii), respectively,
23 and adjusting the margins accordingly;

24 (2) by striking “Loans may be guaranteed” and
25 inserting the following:

1 “(A) DEFINITION.—In this paragraph, the
2 term ‘accessory dwelling unit’ means a single,
3 habitable living unit—

4 “(i) with means of separate ingress
5 and egress;

6 “(ii) that is usually subordinate in
7 size;

8 “(iii) that can be added to, created
9 within, or detached from a primary 1-unit,
10 single-family dwelling; and

11 “(iv) in combination with a primary
12 1-unit, single-family dwelling, constitutes a
13 single interest in real estate.

14 “(B) SINGLE-FAMILY REQUIREMENT.—
15 Loans may be guaranteed”; and
16 (3) by adding at the end the following:

17 “(C) RULE OF CONSTRUCTION.—Nothing
18 in this paragraph shall be construed to prohibit
19 the leasing of an accessory dwelling unit or the
20 use of rental income derived from such a lease
21 to qualify for a loan guaranteed under this sub-
22 section—

23 “(i) after the date of enactment of the
24 21st Century ROAD to Housing Act; and

1 “(ii) if the property that is the subject
2 of the loan was constructed before the date
3 of enactment of the 21st Century ROAD
4 to Housing Act.”.

5 (s) APPLICATION REVIEW.—

6 (1) SENSE OF CONGRESS.—It is the sense of
7 Congress, not later than 90 days after the date on
8 which the Secretary of Agriculture receives an appli-
9 cation for a loan, grant, or combined loan and grant
10 under section 502 or 504 of the Housing Act of
11 1949 (42 U.S.C. 1472, 1474), the Secretary of Agri-
12 culture should—

13 (A) review the application;

14 (B) complete the underwriting;

15 (C) make a determination of eligibility with
16 respect to the application; and

17 (D) notify the applicant of determination.

18 (2) REPORT.—

19 (A) IN GENERAL.—Not later than 90 days
20 after the date of enactment of this Act, and an-
21 nually thereafter until the date described in
22 subparagraph (B), the Secretary of Agriculture
23 shall submit to the Committee on Banking,
24 Housing, and Urban Affairs of the Senate and

1 the Committee on Financial Services of the
2 House of Representatives a report—

3 (i) detailing the timeliness of eligi-
4 bility determinations and final determina-
5 tions with respect to applications under
6 sections 502 and 504 of the Housing Act
7 of 1949 (42 U.S.C. 1472, 1474), including
8 justifications for any eligibility determina-
9 tions taking longer than 90 days; and

10 (ii) that includes recommendations to
11 shorten the timeline for notifications of eli-
12 gibility determinations described in clause
13 (i) to not more than 90 days.

14 (B) DATE DESCRIBED.—The date de-
15 scribed in this subparagraph is the date on
16 which, during the preceding 5-year period, the
17 Secretary of Agriculture provides each eligibility
18 determination described in subparagraph (A)
19 during the 90-day period beginning on the date
20 on which each application is received.

21 **SEC. 503. INCENTIVIZING LOCAL SOLUTIONS TO HOME-**
22 **LESSNESS.**

23 Section 414 of the McKinney-Vento Homeless Assist-
24 ance Act (42 U.S.C. 11373) is amended by adding at the
25 end the following:

1 “(f) FUNDING CAP WAIVER AUTHORITY.—

2 “(1) IN GENERAL.—Notwithstanding any other
3 provision of law or regulation, a recipient may re-
4 quest a waiver to the expenditure limit established
5 pursuant to section 415(b) for amounts provided for
6 each of fiscal years 2027 through 2030.

7 “(2) WAIVER REQUEST.—

8 “(A) IN GENERAL.—A recipient seeking a
9 waiver described in paragraph (1) shall submit
10 to the Secretary a waiver request that includes
11 not more than the following:

12 “(i) A demonstration of local needs
13 and circumstances that necessitate a waiv-
14 er.

15 “(ii) A detailed plan for how the re-
16 cipient intends to use funds.

17 “(iii) A justification for how the pro-
18 posed use of funds supports the most re-
19 cent Consolidated Plan submitted by the
20 recipient.

21 “(iv) Any public input solicited under
22 subparagraph (B)(ii).

23 “(B) NOTIFICATION.—Each recipient
24 shall—

1 “(i) notify all subrecipients and local
2 Continuums of Care that serve the recipi-
3 ent’s geographic area of the availability of
4 waivers under this subsection; and

5 “(ii) prior to the submission of a
6 waiver request under subparagraph (A),
7 solicit public input regarding the potential
8 need for and proposed uses of such waiver.

9 “(C) APPROVAL; PUBLICATION.—The Sec-
10 retary shall—

11 “(i) make all waiver requests sub-
12 mitted under subparagraph (A) publicly
13 available on the website of the Department
14 of Housing and Urban Development;

15 “(ii) not later than 60 days after the
16 date on which the Secretary receives a
17 waiver request under subparagraph (A),
18 approve or deny the request; and

19 “(iii) deny any waiver request sub-
20 mitted under subparagraph (A) by a re-
21 cipient that relocates or threaten to relo-
22 cate individuals or their property without
23 providing emergency shelter, rapid rehous-
24 ing, transitional housing, permanent sup-

1 portive housing, or other permanent hous-
2 ing options.

3 “(3) REVOCATION.—

4 “(A) IN GENERAL.—A waiver approved
5 under this subsection shall remain in effect for
6 the duration of the period of performance of fis-
7 cal year 2027 through 2030 grants, unless the
8 recipient notifies the Secretary in writing that
9 the recipient wishes to revoke the waiver.

10 “(B) NOTIFICATION.—If a recipient in-
11 tends to revoke a waiver under subparagraph
12 (A), the recipient shall—

13 “(i) solicit input from subrecipients
14 regarding the revocation before submitting
15 the revocation; and

16 “(ii) provide subrecipients with a sum-
17 mary of the input and the justification for
18 the revocation in its submittal prior to no-
19 tifying the Secretary in writing.

20 “(C) PUBLICATION.—The Secretary shall
21 publish any revocation of a waiver under sub-
22 paragraph (A) and the justification of the re-
23 cipient for the waiver on the website of the De-
24 partment of Housing and Urban Develop-
25 ment.”.

1 **SEC. 504. REFORMING DISASTER RECOVERY ACT.**

2 (a) DEFINITIONS.—In this section:

3 (1) DEPARTMENT.—The term “Department”
4 means the Department of Housing and Urban De-
5 velopment.

6 (2) FUND.—The term “Fund” means the
7 Long-Term Disaster Recovery Fund established
8 under subsection (c).

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

11 (b) DUTIES OF THE DEPARTMENT OF HOUSING AND
12 URBAN DEVELOPMENT.—

13 (1) IN GENERAL.—The offices and officers of
14 the Department shall be responsible for—

15 (A) leading and coordinating the disaster-
16 related responsibilities of the Department under
17 the National Response Framework, the Na-
18 tional Disaster Recovery Framework, and the
19 National Mitigation Framework;

20 (B) coordinating and administering pro-
21 grams, policies, and activities of the Depart-
22 ment related to disaster relief, long-term recov-
23 ery, resiliency, and mitigation, including dis-
24 aster recovery assistance under title I of the
25 Housing and Community Development Act of
26 1974 (42 U.S.C. 5301 et seq.);

1 (C) supporting disaster-impacted commu-
2 nities as those communities specifically assess,
3 plan for, and address the housing stock and
4 housing needs in the transition from emergency
5 shelters and interim housing to permanent
6 housing of those displaced, especially among
7 vulnerable populations and extremely low-, low-
8 , and moderate-income households;

9 (D) collaborating with the Federal Emer-
10 gency Management Agency and the Small Busi-
11 ness Administration and across the Department
12 to align disaster-related regulations and poli-
13 cies, including incorporation of consensus-based
14 codes and standards and insurance purchase re-
15 quirements, and ensuring coordination and re-
16 ducing duplication among other Federal dis-
17 aster recovery programs;

18 (E) promoting best practices in mitigation
19 and resilient land use planning;

20 (F) coordinating technical assistance, in-
21 cluding mitigation, resiliency, and recovery
22 training and information on all relevant legal
23 and regulatory requirements, to entities that re-
24 ceive disaster recovery assistance under title I
25 of the Housing and Community Development

1 Act of 1974 (42 U.S.C. 5301 et seq.) that dem-
2 onstrate capacity constraints; and

3 (G) supporting State, Tribal, and local
4 governments in developing, coordinating, and
5 maintaining their capacity for disaster resilience
6 and recovery and developing pre-disaster recov-
7 ery and hazard mitigation plans, in coordina-
8 tion with the Federal Emergency Management
9 Agency and other Federal agencies.

10 (2) ESTABLISHMENT OF THE OFFICE OF DIS-
11 ASTER MANAGEMENT AND RESILIENCY.—Section 4
12 of the Department of Housing and Urban Develop-
13 ment Act (42 U.S.C. 3533) is amended by adding at
14 the end the following:

15 “(i) OFFICE OF DISASTER MANAGEMENT AND RE-
16 SILIENCY.—

17 “(1) ESTABLISHMENT.—There is established
18 the Office of Disaster Management and Resiliency.

19 “(2) DUTIES.—The Office of Disaster Manage-
20 ment and Resiliency shall—

21 “(A) be responsible for oversight and co-
22 ordination of all departmental disaster pre-
23 paredness and response responsibilities; and

24 “(B) coordinate with the Federal Emer-
25 gency Management Agency, the Small Business

1 Administration, and other offices of the Depart-
2 ment in supporting recovery and resilience ac-
3 tivities to provide a comprehensive approach in
4 working with communities.”.

5 (c) LONG-TERM DISASTER RECOVERY FUND.—

6 (1) ESTABLISHMENT.—There is established in
7 the Treasury of the United States an account to be
8 known as the “Long-Term Disaster Recovery
9 Fund”.

10 (2) DEPOSITS, TRANSFERS, AND CREDIT.—

11 (A) IN GENERAL.—The Fund shall consist
12 of amounts appropriated, transferred, and cred-
13 ited to the Fund.

14 (B) TRANSFERS.—The following may be
15 transferred to the Fund:

16 (i) Amounts made available through
17 section 106(c)(4) of the Housing and Com-
18 munity Development Act of 1974 (42
19 U.S.C. 5306(c)(4)) as a result of actions
20 taken under section 104(e), 111, or 124(j)
21 of such Act.

22 (ii) Any unobligated balances available
23 until expended remaining or subsequently
24 recaptured from amounts appropriated for
25 any disaster and related purposes under

1 the heading “Community Development
2 Fund” in any Act prior to the establish-
3 ment of the Fund.

4 (C) USE OF TRANSFERRED AMOUNTS.—
5 Amounts transferred to the Fund shall be used
6 for the eligible uses described in paragraph (3).

7 (3) ELIGIBLE USES OF FUND.—

8 (A) IN GENERAL.—Amounts in the Fund
9 shall be available—

10 (i) to provide assistance in the form of
11 grants under section 124 of the Housing
12 and Community Development Act of 1974,
13 as added by subsection (d); and

14 (ii) for activities of the Department
15 that support the provision of such assist-
16 ance, including necessary salaries and ex-
17 penses, information technology, and capac-
18 ity building, technical assistance, and pre-
19 disaster readiness.

20 (B) SET-ASIDE.—Of each amount appro-
21 priated for or transferred to the Fund, 3 per-
22 cent shall be made available for activities de-
23 scribed in subparagraph (A)(ii), which shall be
24 in addition to other amounts made available for
25 those activities.

1 (C) TRANSFER OF FUNDS.—With respect
2 to amounts made available for use in accord-
3 ance with subparagraph (B)—

4 (i) amounts may be transferred to the
5 account under the heading for “Program
6 Offices—Salaries and Expenses—Communi-
7 ty Planning and Development”, or any
8 successor account, for the Department to
9 carry out activities described in subpara-
10 graph(B); and

11 (ii) amounts may be used for the ac-
12 tivities described in subparagraph (A)(ii)
13 and for the administrative costs of admin-
14 istering any funds appropriated to the De-
15 partment under the heading “Community
16 Planning and Development—Community
17 Development Fund” for any major disaster
18 declared under section 401 of the Robert
19 T. Stafford Disaster Relief and Emergency
20 Assistance Act (42 U.S.C. 5170) in any
21 Act before the establishment of the Fund.

22 (D) INSPECTOR GENERAL.—

23 (i) IN GENERAL.—Not less than one-
24 tenth of 1 percent of each series of awards
25 the Secretary makes from the Fund shall

1 be transferred to the account under the
2 heading “Office of Inspector General” for
3 the Department of Housing and Urban
4 Development to support audit activities
5 and to investigate grantee noncompliance
6 with program requirements and waste,
7 fraud, and abuse as a result of appropria-
8 tions made available through the Fund.

9 (ii) AVAILABILITY.—Funding under
10 clause (i) shall not be made available to
11 the Office of Inspector General until 90
12 days after the date on which the grantee
13 plan or supplemental plan for the grantee
14 is approved by the Secretary under sub-
15 section (c) or (f)(3)(C) of section 124 of
16 the Housing and Community Development
17 Act of 1974, as added by subsection (d), is
18 approved by the Secretary.

19 (4) INTERCHANGEABILITY OF PRIOR ADMINIS-
20 TRATIVE AMOUNTS.—Any amounts appropriated in
21 any Act prior to the establishment of the Fund and
22 transferred to the account under the heading “Pro-
23 gram Offices—Salaries and Expenses—Community
24 Planning and Development”, or any predecessor ac-
25 count, for the Department for the costs of admin-

1 istering funds appropriated to the Department under
2 the heading “Community Planning and Develop-
3 ment—Community Development Fund” for any
4 major disaster declared under section 401 of the
5 Robert T. Stafford Disaster Relief and Emergency
6 Assistance Act (42 U.S.C. 5170) shall be available
7 for the costs of administering any such funds pro-
8 vided by any prior or future Act, notwithstanding
9 the purposes for which those amounts were appro-
10 priated and in addition to any amount provided for
11 the same purposes in other appropriations Acts.

12 (5) AVAILABILITY OF AMOUNTS.—Amounts ap-
13 propriated, transferred, and credited to the Fund
14 shall remain available until expended.

15 (6) FORMULA ALLOCATION.—Use of amounts
16 in the Fund for grants shall be made by formula al-
17 location in accordance with the requirements of sec-
18 tion 124(a) of the Housing and Community Develop-
19 ment Act of 1974, as added by subsection (d).

20 (d) ESTABLISHMENT OF CDBG DISASTER RECOV-
21 ERY PROGRAM.—Title I of the Housing and Community
22 Development Act of 1974 (42 U.S.C. 5301 et seq.), as
23 amended by this Act, is amended—

24 (1) in section 102(a) (42 U.S.C. 5302(a))—

25 (A) in paragraph (20)—

1 (i) by redesignating subparagraph (B)
2 as subparagraph (C);

3 (ii) in subparagraph (C), as so rededesignated,
4 by inserting “or (B)” after “subparagraph (A)”; and

5 (iii) by inserting after subparagraph
6 (A) the following:

7 “(B) The term ‘persons of extremely low
8 income’ means families and individuals whose
9 income levels do not exceed household income
10 levels determined by the Secretary under section
11 3(b)(2) of the United States Housing Act
12 of 1937 (42 U.S.C. 1437a(b)(2)(C)), except
13 that the Secretary may provide alternative definitions
14 for the Commonwealth of Puerto Rico,
15 Guam, the Commonwealth of the Northern
16 Mariana Islands, the United States Virgin Islands,
17 and American Samoa.”; and

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

19 “(25) The term ‘major disaster’ has the meaning
20 given the term in section 102 of the Robert T.
21 Stafford Disaster Relief and Emergency Assistance
22 Act (42 U.S.C. 5122).”;

23 (2) in section 106(c)(4) (42 U.S.C.
24 5306(c)(4))—
25

1 (A) in subparagraph (A)—

2 (i) by striking “declared by the Presi-
3 dent under the Robert T. Stafford Disaster
4 Relief and Emergency Assistance Act”;

5 (ii) by inserting “States for use in
6 nonentitlement areas and to” before “met-
7 ropolitan cities”; and

8 (iii) by inserting “major” after “af-
9 fected by the”;

10 (B) in subparagraph (C)—

11 (i) by striking “metropolitan city or”
12 and inserting “State, metropolitan city,
13 or”;

14 (ii) by striking “city or county” and
15 inserting “State, city, or county”; and

16 (iii) by inserting “major” before “dis-
17 aster”;

18 (C) in subparagraph (D), by striking “met-
19 ropolitan cities and” and inserting “States,
20 metropolitan cities, and”;

21 (D) in subparagraph (F)—

22 (i) by striking “metropolitan city or”
23 and inserting “State, metropolitan city,
24 or”; and

1 (ii) by inserting “major” before “dis-
2 aster”; and

3 (E) in subparagraph (G), by striking “met-
4 ropolitan city or” and inserting “State, metro-
5 politan city, or”;

6 (3) in section 122 (42 U.S.C. 5321), by striking
7 “disaster under title IV of the Robert T. Stafford
8 Disaster Relief and Emergency Assistance Act” and
9 inserting “major disaster”; and

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

11 **“SEC. 124. COMMUNITY DEVELOPMENT BLOCK GRANT DIS-**
12 **ASTER RECOVERY PROGRAM.**

13 “(a) AUTHORIZATION, FORMULA, AND ALLOCA-
14 TION.—

15 “(1) AUTHORIZATION.—The Secretary is au-
16 thorized to make community development block
17 grant disaster recovery grants from the Long-Term
18 Disaster Recovery Fund established under section
19 504(c) of the 21st Century ROAD to Housing Act
20 (in this section referred to as the ‘Fund’) for nec-
21 essary expenses for activities authorized under sub-
22 section (f)(1) related to disaster relief, long-term re-
23 covery, restoration of housing and infrastructure,
24 economic revitalization, and mitigation in the most

1 impacted and distressed areas resulting from a cata-
2 strophic major disaster.

3 “(2) GRANT AWARDS.—Grants shall be awarded
4 under this section to States, units of general local
5 government, and Indian tribes based on capacity and
6 the concentration of damage, as determined by the
7 Secretary, to support the efficient and effective ad-
8 ministration of funds.

9 “(3) SECTION 106 ALLOCATIONS.—Grants
10 under this section shall not be considered relevant to
11 the formula allocations made pursuant to section
12 106.

13 “(4) FEDERAL REGISTER NOTICE.—

14 “(A) IN GENERAL.—Not later than 30
15 days after the date of enactment of this section,
16 the Secretary shall issue a notice in the Federal
17 Register containing the latest formula allocation
18 methodologies used to determine the total esti-
19 mate of unmet needs related to housing, eco-
20 nomic revitalization, and infrastructure in the
21 most impacted and distressed areas resulting
22 from a catastrophic major disaster.

23 “(B) PUBLIC COMMENT.—If the Secretary
24 has not already requested public comment on
25 the formula described in the notice required by

1 subparagraph (A), the Secretary shall solicit
2 public comments on—

3 “(i) the methodologies described in
4 subparagraph (A) and seek alternative
5 methods for formula allocation within a
6 similar total amount of funding;

7 “(ii) the impact of formula methodolo-
8 gies on rural areas and Tribal areas;

9 “(iii) adjustments to improve tar-
10 geting to the most serious needs;

11 “(iv) objective criteria for grantee ca-
12 pacity and concentration of damage to in-
13 form grantee determinations and minimum
14 allocation thresholds; and

15 “(v) research and data to inform an
16 additional amount to be provided for miti-
17 gation depending on type of disaster, which
18 shall be up to 18 percent of the total esti-
19 mate of unmet needs.

20 “(5) REGULATIONS.—

21 “(A) IN GENERAL.—The Secretary shall,
22 by regulation, establish a formula to allocate as-
23 sistance from the Fund to the most impacted
24 and distressed areas resulting from a cata-
25 strophic major disaster.

1 “(B) FORMULA REQUIREMENTS.—The for-
2 mula established under subparagraph (A)
3 shall—

4 “(i) set forth criteria to determine
5 that a major disaster is catastrophic, which
6 criteria shall consider the presence of a
7 high concentration of damaged housing or
8 businesses that individual, State, Tribal,
9 and local resources could not reasonably be
10 expected to address without additional
11 Federal assistance or other nationally en-
12 compassing data that the Secretary deter-
13 mines are adequate to assess relative im-
14 pact and distress across geographic areas;

15 “(ii) include a methodology for identi-
16 fying most impacted and distressed areas,
17 which shall consider unmet serious needs
18 related to housing, economic revitalization,
19 and infrastructure;

20 “(iii) include an allocation calculation
21 that considers the unmet serious needs re-
22 sulting from the catastrophic major dis-
23 aster and an additional amount up to 18
24 percent for activities to reduce risks of loss
25 resulting from other natural disasters in

1 the most impacted and distressed area, pri-
2 marily for the benefit of low- and mod-
3 erate-income persons, with particular focus
4 on activities that reduce repetitive loss of
5 property and critical infrastructure; and

6 “(iv) establish objective criteria for
7 periodic review and updates to the formula
8 to reflect changes in available data.

9 “(C) MINIMUM ALLOCATION THRESH-
10 OLD.—The Secretary shall, by regulation, es-
11 tablish a minimum allocation threshold.

12 “(D) INTERIM ALLOCATION.—Until such
13 time that the Secretary issues final regulations
14 under this paragraph, the Secretary shall—

15 “(i) allocate assistance from the Fund
16 using the formula allocation methodology
17 published in accordance with paragraph
18 (4); and

19 “(ii) include an additional amount for
20 mitigation of up to 18 percent of the total
21 estimate of unmet need.

22 “(6) ALLOCATION OF FUNDS.—

23 “(A) IN GENERAL.—The Secretary shall—

24 “(i) except as provided in clause (ii),
25 not later than 90 days after the President

1 declares a major disaster, use best avail-
2 able data to determine whether the major
3 disaster is catastrophic and qualifies for
4 assistance under the formula described in
5 paragraph (4) or (5), unless data is insuf-
6 ficient to make this determination; and

7 “(ii) if the best available data is insuf-
8 ficient to make the determination required
9 under clause (i) within the 90-day period
10 described in that clause, determine whether
11 the major disaster qualifies when sufficient
12 data becomes available, but in no case
13 shall the Secretary make the determination
14 later than 120 days after the declaration
15 of the major disaster.

16 “(B) ANNOUNCEMENT OF ALLOCATION.—
17 If amounts are available in the Fund at the
18 time the Secretary determines that the major
19 disaster is catastrophic and qualifies for assist-
20 ance under the formula described in paragraph
21 (4) or (5), the Secretary shall immediately an-
22 nounce an allocation for a grant under this sec-
23 tion.

24 “(C) ADDITIONAL AMOUNTS.—If addi-
25 tional amounts are appropriated to the Fund

1 after amounts are allocated under subpara-
2 graph (B), the Secretary shall announce an al-
3 location or additional allocation (if a prior allo-
4 cation under subparagraph (B) was less than
5 the formula calculation) within 15 days of any
6 such appropriation.

7 “(7) PRELIMINARY FUNDING.—

8 “(A) IN GENERAL.—To speed recovery, the
9 Secretary is authorized to allocate and award
10 preliminary grants from the Fund before mak-
11 ing a determination under paragraph (6)(A) if
12 the Secretary projects, based on a preliminary
13 assessment of impact and distress, that a major
14 disaster is catastrophic and would likely qualify
15 for funding under the formula described in
16 paragraph (4) or (5).

17 “(B) AMOUNT.—

18 “(i) MAXIMUM.—The Secretary may
19 award preliminary funding under subpara-
20 graph (A) in an amount that is not more
21 than \$5,000,000.

22 “(ii) SLIDING SCALE.—The Secretary
23 shall, by regulation, establish a sliding
24 scale for preliminary funding awarded
25 under subparagraph (A) based on the size

1 of the preliminary assessment of impact
2 and distress.

3 “(C) USE OF FUNDS.—The uses of pre-
4 liminary funding awarded under subparagraph
5 (A) shall be limited to eligible activities that—

6 “(i) in the determination of the Sec-
7 retary, will support faster recovery, im-
8 prove the ability of the grantee to assess
9 unmet recovery needs, plan for the preven-
10 tion of improper payments, and reduce
11 fraud, waste, and abuse; and

12 “(ii) may include evaluating the in-
13 terim housing, permanent housing, and
14 supportive service needs of the disaster im-
15 pacted community, with special attention
16 to vulnerable populations, such as homeless
17 and low- to moderate-income households,
18 to inform the grantee action plan required
19 under subsection (c).

20 “(D) CONSIDERATION OF FUNDING.—Pre-
21 liminary funding awarded under subparagraph
22 (A)—

23 “(i) is not subject to the certification
24 requirements of subsection (h)(2); and

1 “(ii) shall not be considered when cal-
2 culating the amount of the grant used for
3 administrative costs, technical assistance,
4 and planning activities that are subject to
5 the requirements under subsection (f)(3).

6 “(E) WAIVER.—To expedite the use of
7 preliminary funding for activities described in
8 this paragraph, the Secretary may waive or
9 specify alternative requirements to the require-
10 ments of this section in accordance with sub-
11 section (i).

12 “(F) AMENDED AWARD.—

13 “(i) IN GENERAL.—An award for pre-
14 liminary funding under subparagraph (A)
15 may be amended to add any subsequent
16 amount awarded because of a determina-
17 tion by the Secretary that a major disaster
18 is catastrophic and qualifies for assistance
19 under the formula.

20 “(ii) APPLICABILITY.—Notwith-
21 standing subparagraph (D), amounts pro-
22 vided by an amendment under clause (i)
23 are subject to the requirements under sub-
24 sections (f)(1) and (h)(1) and other re-

1 quirements on grant funds under this sec-
2 tion.

3 “(G) TECHNICAL ASSISTANCE.—Concur-
4 rent with the allocation of any preliminary
5 funding awarded under this paragraph, the Sec-
6 retary shall assign or provide technical assist-
7 ance to the recipient of the grant.

8 “(b) INTERCHANGEABILITY.—

9 “(1) IN GENERAL.—The Secretary is authorized
10 to approve the use of grants under this section to be
11 used interchangeably and without limitation for the
12 same activities in the most impacted and distressed
13 areas resulting from a declaration of another cata-
14 strophic major disaster that qualifies for assistance
15 under the formula established under paragraph (4)
16 or (5) of subsection (a) or a major disaster for
17 which the Secretary allocated funds made available
18 under the heading ‘Community Development Fund’
19 in any Act prior to the establishment of the Fund.

20 “(2) REQUIREMENTS.—The Secretary shall es-
21 tablish requirements to expedite the use of grants
22 under this section for the purpose described in para-
23 graph (1).

24 “(3) EMERGENCY DESIGNATION.—Amounts
25 repurposed pursuant to this subsection that were

1 previously designated by Congress as an emergency
2 requirement pursuant to the Balanced Budget and
3 Emergency Deficit Control Act of 1985 or a concur-
4 rent resolution on the budget are designated by the
5 Congress as being for an emergency requirement
6 pursuant to section 4001(a)(1) of S. Con. Res. 14
7 (117th Congress), the concurrent resolution on the
8 budget for fiscal year 2022, and to legislation estab-
9 lishing fiscal year 2026 budget enforcement in the
10 House of Representatives.

11 “(c) GRANTEE PLANS.—

12 “(1) REQUIREMENT.—Not later than 90 days
13 after the date on which the Secretary announces a
14 grant allocation under this section, unless an exten-
15 sion is granted by the Secretary, the grantee shall
16 submit to the Secretary a plan for approval describ-
17 ing—

18 “(A) the activities the grantee will carry
19 out with the grant under this section;

20 “(B) the criteria of the grantee for award-
21 ing assistance and selecting activities;

22 “(C) how the use of the grant under this
23 section will address disaster relief, long-term re-
24 covery, restoration of housing and infrastruc-

1 ture, economic revitalization, and mitigation in
2 the most impacted and distressed areas;

3 “(D) how the use of the grant funds for
4 mitigation is consistent with hazard mitigation
5 plans submitted to the Federal Emergency
6 Management Agency under section 322 of the
7 Robert T. Stafford Disaster Relief and Emer-
8 gency Assistance Act (42 U.S.C. 5165);

9 “(E) the estimated amount proposed to be
10 used for activities that will benefit persons of
11 low and moderate income;

12 “(F) how the use of grant funds will repair
13 and replace existing housing stock for vulner-
14 able populations, including low- to moderate-in-
15 come households;

16 “(G) how the grantee will address the pri-
17 orities described in paragraph (5);

18 “(H) how uses of funds are proportional to
19 unmet needs, as required under paragraph (6);

20 “(I) for State grantees that plan to dis-
21 tribute grant amounts to units of general local
22 government, a description of the method of dis-
23 tribution; and

24 “(J) such other information as may be de-
25 termined by the Secretary in regulation.

1 “(2) PUBLIC CONSULTATION.—To permit pub-
2 lic examination and appraisal of the plan described
3 in paragraph (1), to enhance the public account-
4 ability of grantee, and to facilitate coordination of
5 activities with different levels of government, when
6 developing the plan or substantial amendments pro-
7 posed to the plan required under paragraph (1), a
8 grantee shall—

9 “(A) publish the plan before adoption;

10 “(B) provide citizens, affected units of
11 general local government, and other interested
12 parties with reasonable notice of, and oppor-
13 tunity to comment on, the plan, with a public
14 comment period of not less than 14 days;

15 “(C) consider comments received before
16 submission to the Secretary;

17 “(D) follow a citizen participation plan for
18 disaster assistance adopted by the grantee that,
19 at a minimum, provides for participation of
20 residents of the most impacted and distressed
21 area affected by the major disaster that re-
22 sulted in the grant under this section and other
23 considerations established by the Secretary; and

1 “(E) undertake any consultation with in-
2 terested parties as may be determined by the
3 Secretary in regulation.

4 “(3) APPROVAL.—The Secretary shall—

5 “(A) by regulation, specify criteria for the
6 approval, partial approval, or disapproval of a
7 plan submitted under paragraph (1), including
8 approval of substantial amendments to the
9 plan;

10 “(B) review a plan submitted under para-
11 graph (1) upon receipt of the plan;

12 “(C) allow a grantee to revise and resub-
13 mit a plan or substantial amendment to a plan
14 under paragraph (1) that the Secretary dis-
15 approves;

16 “(D) by regulation, specify criteria for
17 when the grantee shall be required to provide
18 the required revisions to a disapproved plan or
19 substantial amendment under paragraph (1) for
20 public comment prior to resubmission of the
21 plan or substantial amendment to the Sec-
22 retary; and

23 “(E) approve, partially approve, or dis-
24 approve a plan or substantial amendment under
25 paragraph (1) not later than 60 days after the

1 date on which the plan or substantial amend-
2 ment is received by the Secretary.

3 “(4) LOW- AND MODERATE-INCOME OVERALL
4 BENEFIT.—

5 “(A) USE OF FUNDS.—Not less than 70
6 percent of a grant made under this section shall
7 be used for activities that benefit persons of low
8 and moderate income unless the Secretary—

9 “(i) specifically finds that—

10 “(I) there is compelling need to
11 reduce the percentage for the grant;
12 and

13 “(II) the housing needs of low-
14 and moderate-income persons have
15 been addressed; and

16 “(ii) issues a waiver and alternative
17 requirement specific to the grant pursuant
18 to subsection (i) to lower the percentage.

19 “(B) REGULATIONS.—The Secretary shall,
20 by regulation, establish protocols that reflect
21 the required use of funds under subparagraph
22 (A), including persons with extremely and very
23 low incomes.

24 “(5) PRIORITIZATION.—The grantee shall
25 prioritize activities that—

1 “(A) assist persons with extremely low-,
2 low-, and moderate-incomes and other vulner-
3 able populations to better recover from and
4 withstand future disasters;

5 “(B) address housing needs arising from a
6 disaster, or those needs present prior to a dis-
7 aster, including the needs of both renters and
8 homeowners;

9 “(C) prolong the life of housing and infra-
10 structure;

11 “(D) use cost-effective means of preventing
12 harm to people and property and incorporate
13 protective features and redundancies; and

14 “(E) other measures that will assure the
15 continuation of critical services during future
16 disasters.

17 “(6) PROPORTIONAL ALLOCATION.—For each
18 specific disaster, a grantee under this section shall
19 allocate grant funds proportional to unmet needs be-
20 tween housing activities for renters and homeowners,
21 economic revitalization, and infrastructure unless the
22 Secretary specifically finds that—

23 “(A) there is a compelling need for a dis-
24 proportional allocation among those unmet
25 needs; and

1 “(B) the disproportional allocation de-
2 scribed in subparagraph (A) is not inconsistent
3 with the requirements under paragraph (4).

4 “(7) DISASTER RISK MITIGATION.—

5 “(A) DEFINITION.—In this paragraph, the
6 term ‘hazard-prone areas’—

7 “(i) means areas identified by the
8 Secretary, in consultation with the Admin-
9 istrator of the Federal Emergency Man-
10 agement Agency, at risk from natural haz-
11 ards that threaten property damage or
12 health, safety, and welfare, such as floods,
13 wildfires (including Wildland-Urban Inter-
14 face areas), earthquakes, lava inundation,
15 tornados, and high winds; and

16 “(ii) includes areas having special
17 flood hazards as identified under the Flood
18 Disaster Protection Act of 1973 (42
19 U.S.C. 4002 et seq.) or the National Flood
20 Insurance Act of 1968 (42 U.S.C. 4001 et
21 seq.).

22 “(B) HAZARD-PRONE AREAS.—The Sec-
23 retary, in consultation with the Administrator
24 of the Federal Emergency Management Agency,
25 shall establish minimum construction standards,

1 insurance purchase requirements, and other re-
2 quirements for the use of grant funds in haz-
3 ard-prone areas.

4 “(C) SPECIAL FLOOD HAZARDS.—

5 “(i) IN GENERAL.—For the areas de-
6 scribed in subparagraph (A)(ii), the insur-
7 ance purchase requirements established
8 under subparagraph (B) shall meet or ex-
9 ceed the requirements under section 102(a)
10 of the Flood Disaster Protection Act of
11 1973 (42 U.S.C. 4012a(a)).

12 “(ii) TREATMENT AS FINANCIAL AS-
13 SISTANCE.—All grants under this section
14 shall be treated as financial assistance for
15 purposes of section 3(a)(3) of the Flood
16 Disaster Protection Act of 1973 (42
17 U.S.C. 4003(a)(3)).

18 “(D) CONSIDERATION OF FUTURE
19 RISKS.—The Secretary may consider future
20 risks to protecting property and health, safety,
21 and general welfare, and the likelihood of those
22 risks, when making the determination of or
23 modification to hazard-prone areas under this
24 paragraph.

25 “(8) RELOCATION.—

1 “(A) IN GENERAL.—The Uniform Reloca-
2 tion Assistance and Real Property Acquisition
3 Policies Act of 1970 (42 U.S.C. 4601 et seq.)
4 shall apply to activities assisted under this sec-
5 tion to the extent determined by the Secretary
6 in regulation, or as provided in waivers or alter-
7 native requirements authorized in accordance
8 with subsection (i).

9 “(B) POLICY.—Each grantee under this
10 section shall establish a relocation assistance
11 policy that—

12 “(i) minimizes displacement and de-
13 scribes the benefits available to persons
14 displaced as a direct result of acquisition,
15 rehabilitation, or demolition in connection
16 with an activity that is assisted by a grant
17 under this section; and

18 “(ii) includes any appeal rights or
19 other requirements that the Secretary es-
20 tablishes by regulation.

21 “(d) CERTIFICATIONS.—Any grant under this section
22 shall be made only if the grantee certifies to the satisfac-
23 tion of the Secretary that—

24 “(1) the grantee is in full compliance with the
25 requirements under subsection (c)(2);

1 “(2) for grants other than grants to Indian
2 tribes, the grant will be conducted and administered
3 in conformity with the Civil Rights Act of 1964 (42
4 U.S.C. 2000a et seq.) and the Fair Housing Act (42
5 U.S.C. 3601 et seq.);

6 “(3) the projected use of funds has been devel-
7 oped so as to give maximum feasible priority to ac-
8 tivities that will benefit recipients described in sub-
9 section (c)(4)(A) and activities described in sub-
10 section (c)(5), and may also include activities that
11 are designed to aid in the prevention or elimination
12 of slum and blight to support disaster recovery, meet
13 other community development needs having a par-
14 ticular urgency because existing conditions pose a
15 serious and immediate threat to the health or wel-
16 fare of the community where other financial re-
17 sources are not available to meet such needs, and al-
18 leviate future threats to human populations, critical
19 natural resources, and property that an analysis of
20 hazards shows are likely to result from natural dis-
21 asters in the future;

22 “(4) the grant funds shall principally benefit
23 persons of low- and moderate-income as described in
24 subsection (c)(4)(A);

1 “(5) for grants other than grants to Indian
2 tribes, within 24 months of receiving a grant or at
3 the time of its 3- or 5-year update, whichever is
4 sooner, the grantee will review and make modifica-
5 tions to its non-disaster housing and community de-
6 velopment plans and strategies required by sub-
7 sections (c) and (m) of section 104 to reflect the dis-
8 aster recovery needs identified by the grantee and
9 consistency with the plan under subsection (c)(1);

10 “(6) the grantee will not attempt to recover any
11 capital costs of public improvements assisted in
12 whole or part under this section by assessing any
13 amount against properties owned and occupied by
14 persons of low and moderate income, including any
15 fee charged or assessment made as a condition of
16 obtaining access to such public improvements, un-
17 less—

18 “(A) funds received under this section are
19 used to pay the proportion of such fee or as-
20 sessment that relates to the capital costs of
21 such public improvements that are financed
22 from revenue sources other than under this
23 chapter; or

24 “(B) for purposes of assessing any amount
25 against properties owned and occupied by per-

1 sons of moderate income, the grantee certifies
2 to the Secretary that the grantee lacks suffi-
3 cient funds received under this section to com-
4 ply with the requirements of subparagraph (A);

5 “(7) the grantee will comply with the other pro-
6 visions of this title that apply to assistance under
7 this section and with other applicable laws;

8 “(8) the grantee will follow a relocation assist-
9 ance policy that includes any minimum requirements
10 identified by the Secretary; and

11 “(9) the grantee will adhere to construction
12 standards, insurance purchase requirements, and
13 other requirements for development in hazard-prone
14 areas described in subsection (c)(7).

15 “(e) PERFORMANCE REVIEWS AND REPORTING.—

16 “(1) IN GENERAL.—The Secretary shall, on not
17 less frequently than an annual basis until the close-
18 out of a particular grant allocation, make such re-
19 views and audits as may be necessary or appropriate
20 to determine whether a grantee under this section
21 has—

22 “(A) carried out activities using grant
23 funds in a timely manner;

24 “(B) met the performance targets estab-
25 lished by paragraph (2);

1 “(C) carried out activities using grant
2 funds in accordance with the requirements of
3 this section, the other provisions of this title
4 that apply to assistance under this section, and
5 other applicable laws; and

6 “(D) a continuing capacity to carry out ac-
7 tivities in a timely manner.

8 “(2) PERFORMANCE TARGETS.—The Secretary
9 shall develop and make publicly available critical
10 performance targets for review, which shall include
11 spending thresholds for each year from the date on
12 which funds are obligated by the Secretary to the
13 grantee until such time all funds have been ex-
14 pended.

15 “(3) FAILURE TO MEET TARGETS.—

16 “(A) SUSPENSION.—If a grantee under
17 this section fails to meet 1 or more critical per-
18 formance targets under paragraph (2), the Sec-
19 retary may temporarily suspend the grant.

20 “(B) PERFORMANCE IMPROVEMENT
21 PLAN.—If the Secretary suspends a grant
22 under subparagraph (A), the Secretary shall
23 provide to the grantee a performance improve-
24 ment plan with the specific requirements needed

1 to lift the suspension within a defined time pe-
2 riod.

3 “(C) REPORT.—If a grantee fails to meet
4 the spending thresholds established under para-
5 graph (2), the grantee shall submit to the Sec-
6 retary, the appropriate committees of Congress,
7 and each member of Congress who represents a
8 district or State of the grantee a written report
9 identifying technical capacity, funding, or other
10 Federal or State impediments affecting the abil-
11 ity of the grantee to meet the spending thresh-
12 olds.

13 “(4) COLLECTION OF INFORMATION AND RE-
14 PORTING.—

15 “(A) REQUIREMENT TO REPORT.—A
16 grantee under this section shall provide to the
17 Secretary such information as the Secretary
18 may determine necessary for adequate oversight
19 of the grant program under this section.

20 “(B) PUBLIC AVAILABILITY.—Subject to
21 subparagraph (D), the Secretary shall make in-
22 formation submitted under subparagraph (A)
23 available to the public and to the Inspector
24 General for the Department of Housing and
25 Urban Development.

1 “(C) SUMMARY STATUS REPORTS.—To in-
2 crease transparency and accountability of the
3 grant program under this section, the Secretary
4 shall, on not less frequently than an annual
5 basis, post on a public facing dashboard sum-
6 mary status reports for all active grants under
7 this section that includes—

8 “(i) the status of funds by activity;

9 “(ii) the percentages of funds allo-
10 cated and expended to benefit low- and
11 moderate-income communities;

12 “(iii) performance targets, spending
13 thresholds, and accomplishments; and

14 “(iv) other information the Secretary
15 determines to be relevant for transparency.

16 “(D) CONSIDERATIONS.—In carrying out
17 this paragraph, the Secretary shall take such
18 actions as may be necessary to ensure that per-
19 sonally identifiable information regarding appli-
20 cants for assistance provided from funds made
21 available under this section is not made publicly
22 available.

23 “(E) RESEARCH PARTNERSHIPS.—

24 “(i) IN GENERAL.—The Secretary
25 may, upon a formal request from research-

1 ers, make disaggregated information avail-
2 able to the requestor that is specific and
3 relevant to the research being conducted,
4 and for the purposes of researching pro-
5 gram impact and efficacy.

6 “(ii) PRIVACY PROTECTIONS.—In
7 making information available under clause
8 (i), the Secretary shall protect personally
9 identifiable information as required under
10 section 552a of title 5, United States Code
11 (commonly known as the ‘Privacy Act of
12 1974’).

13 “(f) ELIGIBLE ACTIVITIES.—

14 “(1) IN GENERAL.—Activities assisted under
15 this section—

16 “(A) may include activities permitted
17 under section 105 or other activities permitted
18 by the Secretary by waiver or alternative re-
19 quirement pursuant to subsection (i); and

20 “(B) shall be related to disaster relief,
21 long-term recovery, restoration of housing and
22 infrastructure, economic revitalization, and
23 mitigation in the most impacted and distressed
24 areas resulting from the major disaster for
25 which the grant was awarded.

1 “(2) PROHIBITION.—Grant funds under this
2 section may not be used for costs reimbursable by,
3 or for which funds have been made available by, the
4 Federal Emergency Management Agency or the
5 United States Army Corps of Engineers.

6 “(3) ADMINISTRATIVE COSTS, TECHNICAL AS-
7 SISTANCE, AND PLANNING.—

8 “(A) IN GENERAL.—The Secretary shall
9 establish in regulation the maximum grant
10 amounts a grantee may use for administrative
11 costs, technical assistance, and planning activi-
12 ties, taking into consideration size of grant,
13 complexity of recovery, and other factors as de-
14 termined by the Secretary, but not to exceed 8
15 percent for administration and 20 percent in
16 total.

17 “(B) AVAILABILITY.—Amounts available
18 for administrative costs for a grant under this
19 section shall be available for eligible administra-
20 tive costs of the grantee for any grant made
21 under this section, without regard to a par-
22 ticular disaster.

23 “(C) SUPPLEMENTAL PLAN.—

24 “(i) IN GENERAL.—Grantees may
25 submit to the Secretary an optional supple-

1 mental plan to the grantee plan required
2 under this title specifically for administra-
3 tive costs, which shall include a description
4 of the use of all grant funds for adminis-
5 trative costs, including for any eligible pre-
6 award program administrative costs, and
7 how such uses will prepare the grantee to
8 more effectively and expeditiously admin-
9 ister funds provided under the full plan.

10 “(ii) USE OF FUNDS.—If a supple-
11 mental plan is approved under clause (i), a
12 grantee may draw down the aforemen-
13 tioned administrative funds before the full
14 grantee plan is approved.

15 “(iii) WAIVERS.—In carrying out this
16 subparagraph, the Secretary may include
17 any waivers or alternative requirements in
18 accordance with subsection (i).

19 “(4) PROGRAM INCOME.—Notwithstanding any
20 other provision of law, any grantee under this sec-
21 tion may retain program income that is realized
22 from grants made by the Secretary under this sec-
23 tion if the grantee agrees that the grantee will uti-
24 lize the program income in accordance with the re-

1 requirements for grants under this section, except that
2 the Secretary may—

3 “(A) by regulation, exclude from consider-
4 ation as program income any amounts deter-
5 mined to be so small that compliance with this
6 paragraph creates an unreasonable administra-
7 tive burden on the grantee; or

8 “(B) permit the grantee to transfer re-
9 maining program income to the other grants of
10 the grantee under this title upon closeout of the
11 grant.

12 “(5) PROHIBITION ON USE OF ASSISTANCE FOR
13 EMPLOYMENT RELOCATION ACTIVITIES.—

14 “(A) IN GENERAL.—Grants under this sec-
15 tion may not be used to assist directly in the
16 relocation of any industrial or commercial plant,
17 facility, or operation, from one area to another
18 area, if the relocation is likely to result in a sig-
19 nificant loss of employment in the labor market
20 area from which the relocation occurs.

21 “(B) APPLICABILITY.—The prohibition
22 under subparagraph (A) shall not apply to a
23 business that was operating in the disaster-de-
24 clared labor market area before the incident
25 date of the applicable disaster and has since

1 moved, in whole or in part, from the affected
2 area to another State or to a labor market area
3 within the same State to continue business.

4 “(6) REQUIREMENTS.—Grants under this sec-
5 tion are subject to the requirements of this section,
6 the other provisions of this title that apply to assist-
7 ance under this section, and other applicable laws,
8 unless modified by waivers or alternative require-
9 ments in accordance with subsection (i).

10 “(g) ENVIRONMENTAL REVIEW.—

11 “(1) ADOPTION.—A recipient of funds provided
12 under this section that uses the funds to supplement
13 Federal assistance provided under section 203, 402,
14 403, 404, 406, 407, 408(c)(4), 428, or 502 of the
15 Robert T. Stafford Disaster Relief and Emergency
16 Assistance Act (42 U.S.C. 5170a, 5170b, 5170c,
17 5172, 5173, 5174(c)(4), 5189f, 5192) may adopt,
18 without review or public comment, any environ-
19 mental review, approval, or permit performed by a
20 Federal agency, and such adoption shall satisfy the
21 responsibilities of the recipient with respect to such
22 environmental review, approval, or permit under sec-
23 tion 104(g)(1), so long as the actions covered by the
24 existing environmental review, approval, or permit

1 and the actions proposed for these supplemental
2 funds are substantially the same.

3 “(2) APPROVAL OF RELEASE OF FUNDS.—Not-
4 withstanding section 104(g)(2), the Secretary or a
5 State may, upon receipt of a request for release of
6 funds and certification, immediately approve the re-
7 lease of funds for an activity or project to be as-
8 sisted under this section if the recipient has adopted
9 an environmental review, approval, or permit under
10 paragraph (1) or the activity or project is categori-
11 cally excluded from review under the National Envi-
12 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
13 seq.).

14 “(3) UNITS OF GENERAL LOCAL GOVERN-
15 MENT.—The provisions of section 104(g)(4) shall
16 apply to assistance under this section that a State
17 distributes to a unit of general local government.

18 “(h) FINANCIAL CONTROLS AND PROCEDURES.—

19 “(1) IN GENERAL.—The Secretary shall develop
20 requirements and procedures to demonstrate that a
21 grantee under this section—

22 “(A) has adequate financial controls and
23 procurement processes;

1 “(B) has adequate procedures to detect
2 and prevent fraud, waste, abuse, and duplica-
3 tion of benefit; and

4 “(C) maintains a comprehensive and pub-
5 licly accessible website.

6 “(2) CERTIFICATION.—Before making a grant
7 under this section, the Secretary shall certify that
8 the grantee has in place proficient processes and
9 procedures to comply with the requirements devel-
10 oped under paragraph (1), as determined by the
11 Secretary.

12 “(3) COMPLIANCE BEFORE ALLOCATION.—The
13 Secretary may permit a State, unit of general local
14 government, or Indian tribe to demonstrate compli-
15 ance with the requirements for adequate financial
16 controls developed under paragraph (1) before a dis-
17 aster occurs and before receiving an allocation for a
18 grant under this section.

19 “(4) DUPLICATION OF BENEFITS.—

20 “(A) IN GENERAL.—Funds made available
21 under this section shall be used in accordance
22 with section 312 of the Robert T. Stafford Dis-
23 aster Relief and Emergency Assistance Act (42
24 U.S.C. 5155) and such rules as may be pre-
25 scribed under such section 312.

1 “(B) PENALTIES.—In any case in which
2 the use of grant funds under this section results
3 in a prohibited duplication of benefits, the
4 grantee shall—

5 “(i) apply an amount equal to the
6 identified duplication to any allowable costs
7 of the award consistent with an actual, im-
8 mediate cash requirement;

9 “(ii) remit any excess amounts to the
10 Secretary to be credited to the obligated,
11 undisbursed balance of the grant con-
12 sistent with requirements on Federal pay-
13 ments applicable to such grantee; and

14 “(iii) if excess amounts under clause
15 (ii) are identified after the period of per-
16 formance or after the closeout of the
17 award, remit such amounts to the Sec-
18 retary to be credited to the Fund.

19 “(C) FAILURE TO COMPLY.—Any grantee
20 provided funds under this section or from prior
21 appropriations Acts under the heading ‘Commu-
22 nity Development Fund’ for purposes related to
23 major disasters that fails to comply with section
24 312 of the Robert T. Stafford Disaster Relief
25 and Emergency Assistance Act (42 U.S.C.

1 5155) or fails to satisfy penalties to resolve a
2 duplication of benefits shall be subject to rem-
3 edies for noncompliance under section 111, un-
4 less the Secretary publishes a determination in
5 the Federal Register that it is not in the best
6 interest of the Federal Government to pursue
7 remedial actions.

8 “(i) WAIVERS AND ALTERNATIVE REQUIREMENTS.—

9 “(1) IN GENERAL.—In administering grants
10 under this section, the Secretary may waive, or
11 specify alternative requirements for, any provision of
12 any statute or regulation that the Secretary admin-
13 isters in connection with the obligation by the Sec-
14 retary or the use by the grantee of those funds (ex-
15 cept for requirements related to fair housing, non-
16 discrimination, labor standards, the environment,
17 and the requirements of this section that do not ex-
18 pressly authorize modifications by waiver or alter-
19 native requirement), if the Secretary makes a public
20 finding that good cause exists for the waiver or al-
21 ternative requirement.

22 “(2) EFFECTIVE DATE.—A waiver or alter-
23 native requirement described in paragraph (1) shall
24 not take effect before the date that is 5 days after
25 the date of publication of the waiver or alternative

1 requirement on the website of the Department of
2 Housing and Urban Development or the effective
3 date for any regulation published in the Federal
4 Register.

5 “(3) PUBLIC NOTIFICATION.—The Secretary
6 shall notify the public of all waivers or alternative
7 requirements described in paragraph (1) in accord-
8 ance with the requirements of section 7(q)(3) of the
9 Department of Housing and Urban Development
10 Act (42 U.S.C. 3535(q)(3)).

11 “(j) UNUSED AMOUNTS.—

12 “(1) DEADLINE TO USE AMOUNTS.—A grantee
13 under this section shall use an amount equal to the
14 grant within 6 years beginning on the date on which
15 the Secretary obligates the amounts to the grantee,
16 as such period may be extended under paragraph
17 (4).

18 “(2) RECAPTURE.—The Secretary shall recap-
19 ture and credit to the Fund any amount that is un-
20 used by a grantee under this section upon the earlier
21 of—

22 “(A) the date on which the grantee notifies
23 the Secretary that the grantee has completed all
24 activities identified in the disaster grantee’s
25 plan under subsection (c); or

1 “(B) the expiration of the 6-year period
2 described in paragraph (1), as such period may
3 be extended under paragraph (4).

4 “(3) RETENTION OF FUNDS.—Notwithstanding
5 paragraph (1), the Secretary—

6 “(A) shall allow a grantee under this sec-
7 tion to retain amounts needed to close out
8 grants; and

9 “(B) may allow a grantee under this sec-
10 tion to retain up to 10 percent of the remaining
11 funds to support maintenance of the minimal
12 capacity to launch a new program in the event
13 of a future disaster and to support pre-disaster
14 long-term recovery and mitigation planning.

15 “(4) EXTENSION OF PERIOD FOR USE OF
16 FUNDS.—The Secretary may extend the 6-year pe-
17 riod described in paragraph (1) by not more than 4
18 years, or not more than 6 years for mitigation activi-
19 ties, if—

20 “(A) the grantee submits to the Sec-
21 retary—

22 “(i) written documentation of the exi-
23 gent circumstances impacting the ability of
24 the grantee to expend funds that could not
25 be anticipated; or

1 “(ii) a justification that such request
2 is necessary due to the nature and com-
3 plexity of the program and projects; and

4 “(B) the Secretary submits a written jus-
5 tification for the extension to the Committee on
6 Appropriations and the Committee on Banking,
7 Housing, and Urban Affairs of the Senate and
8 the Committee on Appropriations and the Com-
9 mittee on Financial Services of the House of
10 Representatives that specifies the period of that
11 extension.

12 “(k) DEFINITION.—In this section, the term ‘Indian
13 tribe’ has the meaning given the term in section 4 of the
14 Native American Housing Assistance and Self-Determina-
15 tion Act of 1996 (25 U.S.C. 4103).”.

16 (e) REGULATIONS.—

17 (1) PROPOSED RULES.—Following consultation
18 with the Federal Emergency Management Agency,
19 the Small Business Administration, and other Fed-
20 eral agencies, not later than 6 months after the date
21 of enactment of this Act, the Secretary shall issue
22 proposed rules to carry out this section and the
23 amendments made by this section and shall provide
24 a 90-day period for submission of public comments
25 on those proposed rules.

1 (2) FINAL RULES.—Not later than 1 year after
2 the date of enactment of this Act, the Secretary
3 shall issue final regulations to carry out section 124
4 of the Housing and Community Development Act of
5 1974, as added by subsection (d).

6 (f) COORDINATION OF DISASTER RECOVERY ASSIST-
7 ANCE, BENEFITS, AND DATA WITH OTHER FEDERAL
8 AGENCIES.—

9 (1) COORDINATION OF DISASTER RECOVERY AS-
10 SISTANCE.—In order to ensure a comprehensive ap-
11 proach to Federal disaster relief, long-term recovery,
12 restoration of housing and infrastructure, economic
13 revitalization, and mitigation in the most impacted
14 and distressed areas resulting from a catastrophic
15 major disaster, the Secretary shall coordinate with
16 the Federal Emergency Management Agency, to the
17 greatest extent practicable, in the implementation of
18 assistance authorized under section 124 of the
19 Housing and Community Development Act of 1974,
20 as added by subsection (d).

21 (2) DATA SHARING AGREEMENTS.—To support
22 the coordination of data to prevent duplication of
23 benefits with other Federal disaster recovery pro-
24 grams while also expediting recovery and reducing
25 burden on disaster survivors, the Department shall

1 establish data sharing agreements that safeguard
2 privacy with relevant Federal agencies to ensure dis-
3 aster benefits effectively and efficiently reach in-
4 tended beneficiaries, while using effective means of
5 preventing harm to people and property.

6 (3) DATA TRANSFER FROM FEMA AND SBA TO
7 HUD.—As permitted and deemed necessary for effi-
8 cient program execution, and consistent with a com-
9 puter matching agreement entered into under para-
10 graph (6)(A), the Administrator of the Federal
11 Emergency Management Agency and the Adminis-
12 trator of the Small Business Administration shall
13 provide data on disaster applicants to the Depart-
14 ment, including, when necessary, personally identifi-
15 able information, disaster recovery needs, and re-
16 sources determined eligible for, and amounts ex-
17 pended, to the Secretary for all major disasters de-
18 clared by the President pursuant to section 401 of
19 Robert T. Stafford Disaster Relief and Emergency
20 Assistance Act (42 U.S.C. 5170) for the purpose of
21 providing additional assistance to disaster survivors
22 and prevent duplication of benefits.

23 (4) DATA TRANSFERS FROM HUD TO HUD
24 GRANTEES.—The Secretary is authorized to provide
25 to grantees under section 124 of the Housing and

1 Community Development Act of 1974, as added by
2 subsection (d), offices of the Department, technical
3 assistance providers, and lenders information that in
4 the determination of the Secretary is reasonably
5 available and appropriate to inform the provision of
6 assistance after a major disaster, including informa-
7 tion provided to the Secretary by the Administrator
8 of the Federal Emergency Management Agency, the
9 Administrator of the Small Business Administration,
10 or other Federal agencies.

11 (5) DATA TRANSFERS FROM HUD GRANTEES TO
12 HUD, FEMA, AND SBA.—

13 (A) REPORTING.—Grantees under section
14 124 of the Housing and Community Develop-
15 ment Act of 1974, as added by subsection (d),
16 shall report information requested by the Sec-
17 retary on households, businesses, and other en-
18 tities assisted and the type of assistance pro-
19 vided.

20 (B) SHARING INFORMATION.—The Sec-
21 retary shall share information collected under
22 subparagraph (A) with the Federal Emergency
23 Management Agency, the Small Business Ad-
24 ministration, and other Federal agencies to sup-
25 port the planning and delivery of disaster recov-

1 ery and mitigation assistance and other related
2 purposes.

3 (6) PRIVACY PROTECTION.—

4 (A) IN GENERAL.—The Secretary may
5 make and receive data transfers authorized
6 under this subsection, including the use and re-
7 tention of that data for computer matching pro-
8 grams, to inform the provision of assistance, as-
9 sess disaster recovery needs, and prevent the
10 duplication of benefits and other waste, fraud,
11 and abuse, provided that—

12 (i) the Secretary enters an informa-
13 tion sharing agreement or a computer
14 matching agreement, when required by sec-
15 tion 522a of title 5, United States Code
16 (commonly known as the “Privacy Act of
17 1974”), with the Administrator of the Fed-
18 eral Emergency Management Agency, the
19 Administrator of the Small Business Ad-
20 ministration, or other Federal agencies
21 covering the transfer of data; and

22 (ii) the Secretary publishes intent to
23 disclose data in the Federal Register.

24 (B) DATA SHARING AGREEMENT.—Not-
25 withstanding clauses (i) and (ii) of subpara-

1 graph (A), section 552a of title 5, United
2 States Code, or any other law, the Secretary is
3 authorized to share data with an entity identi-
4 fied in paragraph (4), and the entity is author-
5 ized to use the data as described in this section,
6 if the Secretary enters a data sharing agree-
7 ment with the entity before sharing or receiving
8 any information under transfers authorized by
9 this section, which data sharing agreement
10 shall—

11 (i) in the determination of the Sec-
12 retary, include measures adequate to safe-
13 guard the privacy and personally identifi-
14 able information of individuals; and

15 (ii) include provisions that describe
16 how the personally identifiable information
17 of an individual will be adequately safe-
18 guarded and protected, which requires con-
19 sultation with the Secretary and the head
20 of each Federal agency the data of which
21 is being shared subject to the agreement.

22 (g) SUNSET.—The program under section 124 of the
23 Housing and Community Development Act of 1974, as
24 added by subsection (d) shall terminate on the date that
25 is 3 years after the date of enactment of this Act.

1 (h) SENSE OF CONGRESS.—It is the sense of Con-
2 gress that, should Congress opt to appropriate funds for
3 disaster recovery through a similar successor program fol-
4 lowing the sunset date, subsection (g) shall not preclude
5 Congress from doing so.

6 (i) APPLICATION.—Grants made under section 124
7 of the Housing and Community Development Act of 1974,
8 as added by subsection (d), after the date of enactment
9 of this Act shall be carried out using amounts appro-
10 priated after the date of enactment of this Act.

11 **SEC. 505. NEW MOVING TO WORK COHORT.**

12 (a) DEFINITIONS.—In this section:

13 (1) MOVING TO WORK DEMONSTRATION.—The
14 term “Moving to Work demonstration” means the
15 Moving to Work demonstration authorized under
16 section 204 of the Departments of Veterans Affairs
17 and Housing and Urban Development, and Inde-
18 pendent Agencies Appropriations Act, 1996 (42
19 U.S.C. 1437f note).

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

22 (b) AUTHORIZATION OF ADDITIONAL PUBLIC HOUS-
23 ING AGENCIES.—

24 (1) IN GENERAL.—After the completion of the
25 initial report required under subsection (h)(2), the

1 Secretary may add up to an additional 25 public
2 housing agencies that are designated as high per-
3 forming agencies under the Public Housing Assess-
4 ment System or the Section 8 Management Assess-
5 ment Program to participate in a new cohort as part
6 of the Moving to Work demonstration.

7 (2) NAME.—The new cohort authorized under
8 paragraph (1) shall be entitled the “Economic Op-
9 portunity and Pathways to Independence Cohort”.

10 (c) WAIVER AUTHORITY.—

11 (1) IN GENERAL.—Subject to this subsection,
12 the authority of the Secretary to grant waivers to
13 agencies admitted to the Moving to Work dem-
14 onstration under this section or to designate policy
15 changes as part of a cohort design under this section
16 shall be limited to the Moving to Work waivers codi-
17 fied as of January 2025 in Appendix I of the docu-
18 ment of the Department of Housing and Urban De-
19 velopment entitled “Operations Notice for the Ex-
20 pansion of the Moving to Work Demonstration Pro-
21 gram” (FR–5994–N–05) published in the Federal
22 Register on August 28, 2020, as amended by the no-
23 tice entitled “Operations Notice for Expansion of the
24 Moving to Work Demonstration Program Technical

1 Revisions” (FR–5994–N–06) published in the Fed-
2 eral Register on March 20, 2025.

3 (2) MODIFICATIONS.—The Secretary may not
4 waive the safe harbor requirements that apply to the
5 Moving to Work waivers described in paragraph (1)
6 or modify those waivers in any other way for the
7 purposes of the new cohort under this section.

8 (3) EXCEPTIONS.—

9 (A) IN GENERAL.—Under paragraph (1),
10 the Secretary may not grant waiver 1c, 1d, 1e,
11 1f, 1k, 1l, 1o, 1p, 1q, 6, 7, 9a, 9h, or 12 in the
12 document described in paragraph (1), including
13 modifications of or safe harbor requirement
14 waivers for such waivers.

15 (B) SPECIFIC WAVERS.—If the Secretary
16 grants waiver 10 or 11 in the document de-
17 scribed in paragraph (1), resident participation
18 in any program administered pursuant to those
19 waivers shall be optional for purposes of the
20 new cohort under this section.

21 (4) POLICY OPTIONS.—In carrying out the
22 Moving to Work demonstration cohort established
23 under this section, the Secretary may consider policy
24 options to provide opt-out savings or escrow ac-
25 counts and report positive rental payments to con-

1 sumer reporting agencies (as defined in section 603
2 of the Fair Credit Reporting Act (15 U.S.C. 1681a))
3 with resident consent.

4 (d) FUNDING AND USE OF FUNDS.—

5 (1) IN GENERAL.—Public housing agencies in
6 the cohort authorized under this section may expend
7 not more than 5 percent of the amounts those public
8 housing agencies receive in any fiscal year for hous-
9 ing assistance payments under section 8(o) of the
10 United States Housing Act of 1937 (42 U.S.C.
11 1437f(o)) for purposes other than such housing as-
12 sistance payments.

13 (2) OTHER USES.—Such other uses of amounts
14 described in paragraph (1) shall comply with all
15 other applicable requirements.

16 (3) FORMULA.—

17 (A) RENEWAL.—The amount of funding
18 public housing agencies receive for renewal of
19 housing assistance payments under section 8(o)
20 of the United States Housing Act of 1937 (42
21 U.S.C. 1437f(o)) shall be determined according
22 to the same funding formula applicable to pub-
23 lic housing agencies that do not participate in
24 the Moving to Work demonstration, except that
25 the Secretary shall provide public housing agen-

1 cies funding to renew any funds expended
2 under this subsection, with an adjustment for
3 inflation.

4 (B) ADMINISTRATIVE FEES.—The amount
5 of funding public housing agencies receive for
6 administrative fees under section 8(q) of the
7 United States Housing Act of 1937 (42 U.S.C.
8 1437f(q)), public housing operating subsidies
9 under section 9(e) of the United States Hous-
10 ing Act of 1937 (42 U.S.C. 1437g(e)), and pub-
11 lic housing capital funding under section 9(d) of
12 the United States Housing Act of 1937 (42
13 U.S.C. 1437g(d)) shall be determined according
14 to the same funding formula applicable to pub-
15 lic housing agencies that do not participate in
16 the Moving to Work demonstration.

17 (e) SELECTION REQUIREMENTS.—The Secretary
18 shall select public housing agencies designated under this
19 section through a competitive process, as determined by
20 the Secretary, with the following parameters:

21 (1) No public housing agency shall be granted
22 this designation under this section that administers
23 more than 27,000 aggregate housing vouchers and
24 public housing units.

1 (2) Of the public housing agencies selected
2 under this section, not more than 12 shall admin-
3 ister 1,000 or fewer aggregate housing vouchers and
4 public housing units, not more than 8 shall admin-
5 ister between 1,001 and 6,000 aggregate housing
6 vouchers and public housing units, and not more
7 than 5 shall administer between 6,001 and 27,000
8 aggregate housing vouchers and public housing
9 units.

10 (3) Selection of public housing agencies under
11 this section shall be based on ensuring the geo-
12 graphic diversity of Moving to Work demonstration
13 public housing agencies.

14 (4) Within the requirements under paragraphs
15 (1) through (3), the Secretary shall prioritize select-
16 ing public housing agencies that serve families with
17 children and youth aging out of foster care at a rate
18 above the national average.

19 (f) REQUIREMENTS FOR SELECTED PUBLIC HOUS-
20 ING AGENCIES.—Consistent with section 204(c)(3) of the
21 Departments of Veterans Affairs and Housing and Urban
22 Development, and Independent Agencies Appropriations
23 Act, 1996 (42 U.S.C. 1437f note), public housing agencies
24 selected for the Moving to Work demonstration under this
25 section shall—

1 (1) ensure that not less than 75 percent of the
2 families assisted are very low-income families, as de-
3 fined in section 3(b)(2)(B) of the United States
4 Housing Act of 1937 (42 U.S.C. 1437a(b)(2)(B));

5 (2) establish a reasonable rent policy, which
6 shall be designed to encourage employment and self-
7 sufficiency by participating families, consistent with
8 the purpose of the Moving to Work demonstration,
9 such as by excluding some or all of a family's earned
10 income for purposes of determining rent;

11 (3) continue to assist substantially the same
12 total number of eligible low-income families as would
13 have been served had the amounts not been com-
14 bined;

15 (4) maintain a comparable mix of families (by
16 family size) as would have been provided had the
17 amounts not been used under the Moving to Work
18 demonstration; and

19 (5) assure that housing assisted under the Mov-
20 ing to Work demonstration meets housing quality
21 standards established or approved by the Secretary.

22 (g) NONCOMPLIANCE.—

23 (1) IN GENERAL.—If the Secretary finds that a
24 public housing agency participating in the cohort au-
25 thorized under this section is not in compliance with

1 the requirements under this section, the Secretary
2 shall make a determination of noncompliance.

3 (2) COMPLIANCE.—Upon making a determina-
4 tion under paragraph (1), the Secretary shall de-
5 velop a process to bring the public housing agency
6 into compliance.

7 (3) REMOVAL.—If a public housing agency can-
8 not be brought into compliance under the process
9 developed under paragraph (2), the Secretary shall
10 remove the participating public housing agency from
11 the cohort and replace it with a similarly qualified
12 public housing agency currently not in the cohort
13 chosen in the manner described in subsection (e).

14 (4) NOTIFICATION.—Upon removing a public
15 housing agency under paragraph (3), the Secretary
16 shall immediately submit to the Committee on Bank-
17 ing, Housing, and Urban Affairs of the Senate and
18 the Committee on Financial Services of the House of
19 Representatives—

20 (A) a notification of the removal; and

21 (B) a report on the active steps the Sec-
22 retary is taking to replace the public housing
23 agency with a new public housing agency.

24 (h) COMPREHENSIVE MOVING TO WORK REPORTING
25 AND OVERSIGHT REQUIREMENTS.—

1 (1) COHORT RESEARCH.—

2 (A) IN GENERAL.—The Secretary shall
3 continue ongoing research investigations com-
4 menced as part of the assessment of the cohorts
5 established under section 239 of the Depart-
6 ment of Housing and Urban Development Ap-
7 propriations Act, 2016 (42 U.S.C. 1437f note;
8 Public Law 114–113), make public all products
9 completed as part of those investigations, and
10 keep such products online for at least 5 years.

11 (B) COORDINATION.—The Secretary shall
12 coordinate with the advisory committee estab-
13 lished under section 239 of the Department of
14 Housing and Urban Development Appropria-
15 tions Act, 2016 (42 U.S.C. 1437f note; Public
16 Law 114–113) to establish a research program
17 to evaluate the outcomes and efficacy of the fol-
18 lowing for all Moving to Work demonstration
19 agencies designated under the authority under
20 such section and this section:

21 (i) The waivers granted to each cohort
22 and whether those waivers accomplish the
23 goals of achieving greater cost effectiveness
24 and administrative capacity, incentivizing

1 families to become economically self-suffi-
2 cient, and increasing housing choice.

3 (ii) The additional flexibilities granted
4 to individual public housing agencies under
5 each cohort.

6 (iii) How the flexibilities described in
7 clause (ii) were used for local, non-tradi-
8 tional activities.

9 (2) COMPREHENSIVE REPORTING REQUIRE-
10 MENT.—Not later than 180 days after the date of
11 enactment of this Act, and annually thereafter, the
12 Secretary shall submit to the Committee on Bank-
13 ing, Housing, and Urban Affairs of the Senate and
14 the Committee on Financial Services of the House of
15 Representatives a report that contains the following
16 for each Moving to Work demonstration cohort
17 under section 204 of the Departments of Veterans
18 Affairs and Housing and Urban Development, and
19 Independent Agencies Appropriations Act, 1996 (42
20 U.S.C. 1437f note), section 239 of the Department
21 of Housing and Urban Development Appropriations
22 Act, 2016 (42 U.S.C. 1437f note; Public Law 114–
23 113), and this section:

1 (A) The annual administrative plans of
2 each Moving to Work demonstration public
3 housing agency.

4 (B) Assessments of longitudinal data, in-
5 cluding data on units, households, and out-
6 comes, which shall be evaluated to compare
7 changes in the following trends before and after
8 Moving to Work demonstration designation:

9 (i) Impacts on tenants based on the
10 following, disaggregated by the public
11 housing program and the housing choice
12 voucher program:

13 (I) Eviction rates.

14 (II) Hardship policy usage.

15 (III) Share of rent covered by a
16 household.

17 (IV) Turnover, including the
18 number of household moves with or
19 without continued assistance.

20 (V) Reasons for exit from the
21 program.

22 (VI) The number and character-
23 istics of households served, including
24 households with a non-elderly family
25 member with a disability, households

1 with 3 or more minors, homelessness
2 status at the time of admission, and
3 average and median income as a per-
4 cent of area median income.

5 (ii) Impacts on public housing agency
6 operations based on the following:

7 (I) The number of units, broken
8 down by type.

9 (II) The size, including the num-
10 ber of bedrooms per unit, accessibility,
11 affordability, and quality of units.

12 (III) The length of each waitlist
13 maintained and average wait times.

14 (IV) Changes in capital backlog
15 needs and surplus fund and reserve
16 levels.

17 (V) The number of public hous-
18 ing units undergoing a conversion
19 under the rental assistance dem-
20 onstration program authorized under
21 the Department of Housing and
22 Urban Development Appropriations
23 Act, 2012 (Public Law 112-55; 125
24 Stat. 673) or demolition or disposition
25 projects under section 18 of the

1 United States Housing Act of 1937
2 (42 U.S.C. 1437p), including the
3 number of units lost and the location
4 of any replacement housing resulting
5 from demolition or disposition.

6 (VI) The share of project-based
7 vouchers compared to tenant-based
8 vouchers.

9 (VII) The following annual hous-
10 ing choice voucher data:

11 (aa) Voucher unit utilization
12 rates.

13 (bb) Voucher budget utiliza-
14 tion rates.

15 (cc) Annualized voucher suc-
16 cess rate.

17 (dd) Demographic composi-
18 tion of households issued vouch-
19 ers compared to utilized vouch-
20 ers.

21 (ee) Average time to lease-
22 up.

23 (ff) Average cost per vouch-
24 er.

1 (gg) Average cost per land-
2 lord incentive.

3 (hh) Ratio of the proportion
4 of voucher households living in
5 concentrated low-income areas to
6 the proportion of renter-occupied
7 units in concentrated low-income
8 areas.

9 (ii) Characteristics of census
10 tracts where voucher recipients
11 reside.

12 (VIII) How the public housing
13 agency met each of the statutory re-
14 quirements in section 204(c)(3) of the
15 Departments of Veterans Affairs and
16 Housing and Urban Development, and
17 Independent Agencies Appropriations
18 Act, 1996 (42 U.S.C. 1437f note).

19 (iii) Impacts on public housing staff-
20 ing and capacity, including the average
21 public housing agency operating, adminis-
22 trative, and housing assistance payment
23 expenditures per household per month.

24 (C) Legislative recommendations for flexi-
25 bilities that could be expanded to all public

1 housing agencies and how each flexibility en-
2 hances housing choice, affordability, and admin-
3 istrative capacity and efficiency for public hous-
4 ing agencies.

5 (3) PUBLIC AVAILABILITY.—

6 (A) IN GENERAL.—The Secretary shall
7 maintain all reports submitted pursuant to this
8 section in a manner that is publicly available,
9 accessible, and searchable on the website of the
10 Department of Housing and Urban Develop-
11 ment for not less than 5 years.

12 (B) OTHER INFORMATION.—

13 (i) IN GENERAL.—The Secretary shall
14 make the annual plan of the Moving to
15 Work demonstration, the Section 8 admin-
16 istrative plan, and the admission and con-
17 tinued occupancy policy for each year pub-
18 licly available in 1 location on the website
19 of the Department of Housing and Urban
20 Development for not less than 5 years.

21 (ii) DATABASE.—The Secretary may
22 establish a searchable database on the
23 website of the Department of Housing and
24 Urban Development to track the types of
25 flexibilities into which Moving to Work

1 demonstration public housing agencies
2 have opted or for which a waiver was ap-
3 proved by the Secretary, disaggregated by
4 the year such flexibilities were adopted or
5 approved.

6 **TITLE VI—VETERANS AND**
7 **HOUSING**

8 **SEC. 601. MILITARY SERVICE QUESTION.**

9 (a) IN GENERAL.—Subpart A of part 2 of the Fed-
10 eral Housing Enterprises Financial Safety and Soundness
11 Act of 1992 (12 U.S.C. 4541 et seq.) is amended by add-
12 ing at the end the following:

13 **“SEC. 1329. UNIFORM RESIDENTIAL LOAN APPLICATION.**

14 “Not later than 6 months after the date of enactment
15 of this section, the Director shall, by regulation or order,
16 require each enterprise to include a disclosure below the
17 military service question, which shall be above the signa-
18 ture line, on the form known as the Uniform Residential
19 Loan Application stating, ‘If yes, you may qualify for a
20 VA Home Loan. Consult your lender regarding eligi-
21 bility.’.”.

22 (b) GAO STUDY.—Not later than 18 months after
23 the date of enactment of this Act, the Comptroller General
24 of the United States shall conduct a study and submit to
25 Congress a report on whether or not less than 80 percent

1 of lenders using the Uniform Residential Loan Application
2 have included on that form the disclaimer required under
3 section 1329 of the Federal Housing Enterprises Finan-
4 cial Safety and Soundness Act of 1992, as added by sub-
5 section (a).

6 **SEC. 602. HOUSING UNHOUSED DISABLED VETERANS ACT.**

7 (a) EXCLUSION OF CERTAIN DISABILITY BENE-
8 FITS.—Section 3(b)(4)(B) of the United States Housing
9 Act of 1937 (42 U.S.C. 1437a(b)(4)(B)) is amended—

10 (1) by redesignating clauses (iv) and (v) as
11 clauses (vi) and (vii), respectively; and

12 (2) by inserting after clause (iii) the following:

13 “(iv) for the purpose of determining
14 income eligibility with respect to the sup-
15 ported housing program under section
16 8(o)(19), any disability benefits received
17 under chapter 11 or chapter 15 of title 38,
18 United States Code, received by a veteran,
19 except that this exclusion shall not apply
20 to the income in the definition of adjusted
21 income;

22 “(v) for the purpose of determining
23 income eligibility with respect to any
24 household receiving rental assistance under
25 the supported housing program under sec-

1 tion 8(o)(19) as it relates to eligibility for
2 other types of housing assistance, any dis-
3 ability benefits received under chapter 11
4 or chapter 15 of title 38, United States
5 Code, received by a veteran, but such
6 amounts shall not be excluded from income
7 when determining adjusted income;”.

8 (b) TREATMENT OF CERTAIN DISABILITY BENE-
9 FITS.—

10 (1) IN GENERAL.—When determining the eligi-
11 bility of a veteran to rent a residential dwelling unit
12 constructed on Department property on or after the
13 date of enactment of this Act, for which assistance
14 is provided as part of a housing assistance program
15 administered by the Secretary, the Secretary shall
16 exclude from income any disability benefits received
17 under chapter 11 or chapter 15 of title 38, United
18 States Code by such person.

19 (2) DEFINITIONS.—In this subsection:

20 (A) DEPARTMENT PROPERTY.—The term
21 “Department property” has the meaning given
22 the term in section 901 of title 38, United
23 States Code.

1 (B) SECRETARY.—The term “Secretary”
2 means the Secretary of Housing and Urban De-
3 velopment.

4 **SEC. 603. VETERANS AFFAIRS LOAN INFORMED DISCLO-**
5 **SURE (VALID) ACT.**

6 (a) FHA INFORMED CONSUMER CHOICE DISCLO-
7 SURE.—

8 (1) INCLUSION OF INFORMATION RELATING TO
9 VA LOANS.—Subparagraph (A) of section 203(f)(2)
10 of the National Housing Act (12 U.S.C.
11 1709(f)(2)(A)) is amended—

12 (A) by striking “ratio in” and inserting
13 “ratio—

14 “(i) in”; and

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

16 “(ii) in connection with a loan guar-
17 anteed or insured under chapter 37 of title
18 38, United States Code, assuming pre-
19 vailing interest rates; and”.

20 (2) RULE OF CONSTRUCTION.—Nothing in the
21 amendments made by paragraph (1) shall be con-
22 strued to require an original lender to determine
23 whether a prospective borrower is eligible for any
24 loan included in the notice required under section

1 203(f) of the National Housing Act (12 U.S.C.
2 1709(f)).

3 (b) MILITARY SERVICE QUESTION.—

4 (1) IN GENERAL.—Subpart A of part 2 of sub-
5 title A of the Federal Housing Enterprises Financial
6 Safety and Soundness Act of 1992 (12 U.S.C. 4541
7 et seq.), as amended by section 601(a) of this Act,
8 is amended by adding at the end the following:

9 **“SEC. 1330. UNIFORM RESIDENTIAL LOAN APPLICATION.**

10 “Not later than 6 months after the date of enactment
11 of this section, the Director shall require each enterprise
12 to—

13 “(1) include a military service question on the
14 form known as the Uniform Residential Loan Appli-
15 cation to include selection options of ‘Yes’, ‘No’, and
16 “Prefer Not To Answer”; and

17 “(2) position the question described in para-
18 graph (1) above the signature line of the Uniform
19 Residential Loan Application.”.

20 (2) RULEMAKING.—Not later than 6 months
21 after the date of enactment of this Act, the Director
22 of the Federal Housing Finance Agency shall issue
23 a rule to carry out the amendment made by this sec-
24 tion.

1 **TITLE VII—OVERSIGHT AND**
2 **ACCOUNTABILITY**

3 **SEC. 701. REQUIRING ANNUAL TESTIMONY AND OVER-**
4 **SIGHT FROM HOUSING REGULATORS.**

5 Section 7 of the Department of Housing and Urban
6 Development Act (42 U.S.C. 3535) is amended by adding
7 at the end the following:

8 “(u) ANNUAL TESTIMONY.—The Secretary shall ap-
9 pear before the Committee on Banking, Housing, and
10 Urban Affairs of the Senate and the Committee on Finan-
11 cial Services of the House of Representatives at an annual
12 hearing and present testimony regarding the operations
13 of the Department during the preceding year, including—

14 “(1) the current programs and operations of
15 the Department;

16 “(2) the physical condition of all public housing
17 and other housing assisted by the Department;

18 “(3) the financial health of the mortgage insur-
19 ance funds of the Federal Housing Agency;

20 “(4) oversight by the Department of grantees
21 and subgrantees for purposes of preventing waste,
22 fraud, and abuse;

23 “(5) the progress made by the Federal Govern-
24 ment in ending the affordable housing and homeless-
25 ness crises;

1 “(6) the capacity of the Department to deliver
2 on its statutory mission; and

3 “(7) other ongoing activities of the Department,
4 as appropriate.”.

5 **SEC. 702. FHA REPORTING REQUIREMENTS ON SAFETY**
6 **AND SOUNDNESS.**

7 Section 202(a) of the National Housing Act (12
8 U.S.C. 1708(a)) is amended by adding at the end the fol-
9 lowing:

10 “(8) OTHER REQUIRED REPORTING.—The Sec-
11 retary shall—

12 “(A) submit to Congress monthly reports
13 on the capital ratio required under section
14 205(f)(2); and

15 “(B) notify Congress as soon as prac-
16 ticable after the Fund falls below the capital
17 ratio required under section 205(f)(2).”.

18 **SEC. 703. UNITED STATES INTERAGENCY COUNCIL ON**
19 **HOMELESSNESS OVERSIGHT.**

20 Section 203(a) of the McKinney-Vento Homeless As-
21 sistance Act (42 U.S.C. 11313(a)) is amended—

22 (1) in paragraph (1)—

23 (A) by striking “Homeless Emergency As-
24 sistance and Rapid Transition to Housing Act

1 of 2009” and inserting “21st Century ROAD to
2 Housing Act”; and

3 (B) by striking “update such plan annu-
4 ally” and inserting “submit to the President
5 and Congress a report every year thereafter
6 that includes—

7 “(A) the status of completion of the plan;
8 and

9 “(B) any modifications that were made to
10 the plan and the reasons for those modifica-
11 tions;”;

12 (2) by redesignating paragraphs (10) through
13 (13) as paragraphs (11) through (14), respectively;

14 (3) by redesignating the second paragraph (9)
15 (relating to collecting and disseminating informa-
16 tion) as paragraph (10);

17 (4) in paragraph (13), as so redesignated, by
18 striking “and” at the end;

19 (5) in paragraph (14), as so redesignated, by
20 striking the period at the end and inserting “; and”;
21 and

22 (6) by adding at the end the following:

23 “(15) testify annually before Congress, if re-
24 quested.”.

1 **SEC. 704. APPRAISAL MODERNIZATION ACT.**

2 (a) RECONSIDERATION OF VALUE.—

3 (1) FEDERALLY BACKED MORTGAGE LOAN DE-
4 FINED.—In this subsection, the term “federally
5 backed mortgage loan” has the meaning given the
6 term in section 4022 of the CARES Act (15 U.S.C.
7 9056).

8 (2) REQUIREMENT.—The Secretary of Agri-
9 culture, the Secretary of Veterans Affairs, the Com-
10 missioner of the Federal Housing Administration,
11 and the Director of the Federal Housing Finance
12 Agency shall each implement and maintain require-
13 ments that creditors of a federally backed mortgage
14 loan have a review and resolution procedure for a
15 consumer-initiated reconsideration of value or subse-
16 quent appraisal in connection with a consumer credit
17 transaction secured by a consumer’s principal dwell-
18 ing.

19 (b) PUBLIC APPRAISAL DATABASE.—

20 (1) COVERED AGENCIES DEFINED.—In this
21 subsection, the term “covered agencies” means—

22 (A) the Federal Housing Finance Agency,
23 on behalf of the Federal National Mortgage As-
24 sociation and the Federal Home Loan Mortgage
25 Corporation;

1 (B) the Department of Housing and
2 Urban Development, including the Federal
3 Housing Administration;

4 (C) the Department of Agriculture; and

5 (D) the Department of Veterans Affairs.

6 (2) FEASIBILITY REPORT.—Not later than 240
7 days after the date of enactment of this Act, the
8 Comptroller General of the United States shall sub-
9 mit to Congress a public report assessing the feasi-
10 bility of creating a publicly available appraisal data-
11 base that consists of a searchable and downloadable
12 appraisal-level public use file that consolidates ap-
13 praisal data held or aggregated by covered agencies,
14 including—

15 (A) the costs and benefits associated with
16 establishing and maintaining the public data-
17 base;

18 (B) the benefits and risks associated with
19 the Federal Housing Finance Agency or the
20 Bureau of Consumer Financial Protection being
21 responsible for the public database and whether
22 there is another Federal agency best suited for
23 implementing and administering such database;

24 (C) any safety and soundness, antitrust, or
25 consumer privacy-related risks associated with

1 making certain appraisal data factors publicly
2 available, including whether—

3 (i) there are any existing legal re-
4 quirements, including under the Home
5 Mortgage Disclosure Act of 1975 (12
6 U.S.C. 2801 et seq.) and section 552 of
7 title 5, United States Code (commonly
8 known as the “Freedom of Information
9 Act”), or additional actions Federal agen-
10 cies could take to mitigate such risks, such
11 as modifying or aggregating data or elimi-
12 nating personally identifiable information;
13 and

14 (ii) there are any data factors that, if
15 made public, may violate conduct, ethics,
16 or other professional standards as they re-
17 late to appraisals and appraisal or valu-
18 ation professionals;

19 (D) the feasibility of consolidating or
20 matching appraisal data held by covered agen-
21 cies with corresponding data that are required
22 and made public under the Home Mortgage
23 Disclosure Act of 1975 (12 U.S.C. 2801 et
24 seq.);

1 (E) whether the publication of any ap-
2 praisal data factors may pose unfair business
3 advantages within the valuation industry;

4 (F) the feasibility of including all valuation
5 data held by covered agencies, including data
6 produced by automated valuation models;

7 (G) the feasibility and benefits of making
8 the full appraisal dataset, including any modi-
9 fied fields, available to—

10 (i) Federal agencies, including for
11 purposes related to enforcement and super-
12 vision responsibilities;

13 (ii) relevant State licensing, super-
14 vision, and enforcement agencies and State
15 attorneys general;

16 (iii) approved researchers, including
17 academics and nonprofit organizations
18 that, in connection with their mission,
19 work to ensure the fairness and consist-
20 ency of home valuations, including apprais-
21 als; and

22 (iv) any other entities identified by
23 the Comptroller General as having a com-
24 pelling use for disaggregated data;

1 (H) what appraisal data are already avail-
2 able in the public domain; and

3 (I) the feasibility of incorporating legacy
4 data held by covered agencies during the period
5 beginning on January 1, 2017, and ending on
6 the date of enactment of this Act, and whether
7 there are specific data points not easily consoli-
8 dated or matched, as described in subparagraph
9 (D), with more recent data.

10 (3) PURPOSE.—The database described in para-
11 graph (2) shall be used to provide the public, the
12 Federal Government, and State governments with
13 residential real estate appraisal data to help deter-
14 mine whether financial institutions, appraisal man-
15 agement companies, appraisers, valuation tech-
16 nologies, such as automated valuation models, and
17 other valuation professionals are effectively serving
18 the entire housing market.

19 (4) CONSULTATION.—As part of the informa-
20 tion used in the report required under paragraph
21 (2), the Comptroller General of the United States
22 shall conduct interviews with—

23 (A) relevant Federal agencies;

1 (B) relevant State licensing, supervision,
2 and enforcement agencies and State attorneys
3 general;

4 (C) appraisers and other home valuation
5 industry professionals;

6 (D) mortgage lending institutions;

7 (E) fair housing and fair lending experts;
8 and

9 (F) any other relevant stakeholders as de-
10 termined by the Comptroller General.

11 (5) HEARING.—Upon the completion of the re-
12 port under paragraph (2), the Committee on Bank-
13 ing, Housing, and Urban Affairs of the Senate and
14 the Committee on Financial Services of the House of
15 Representatives shall each hold a hearing on the
16 findings of the report and the feasibility of estab-
17 lishing a public appraisal-level appraisal database.

18 **TITLE VIII—ACCOUNTABILITY,**
19 **COORDINATION, STUDIES,**
20 **AND REPORTING**

21 **SEC. 801. HUD-USDA-VA INTERAGENCY COORDINATION**
22 **ACT.**

23 (a) MEMORANDUM OF UNDERSTANDING.—The Sec-
24 retary of Housing and Urban Development, the Secretary
25 of Agriculture, and the Secretary of Veterans Affairs shall

1 establish a memorandum of understanding, or other ap-
2 propriate interagency agreement, to share relevant hous-
3 ing-related research and market data that facilitate evi-
4 dence-based policymaking.

5 (b) INTERAGENCY REPORT.—

6 (1) REPORT.—Not later than 180 days after
7 the date of enactment of this Act, the Secretary of
8 Housing and Urban Development, the Secretary of
9 Agriculture, and the Secretary of Veterans Affairs
10 shall jointly submit to the Committee on Banking,
11 Housing, and Urban Affairs of the Senate and the
12 Committee on Financial Services of the House of
13 Representatives a report containing—

14 (A) a description of opportunities for in-
15 creased collaboration between the Secretary of
16 Housing and Urban Development, the Secretary
17 of Agriculture, and the Secretary of Veterans
18 Affairs to reduce inefficiencies in housing pro-
19 grams;

20 (B) a list of Federal laws (including regu-
21 lations) that adversely affect the availability
22 and affordability of new construction of assisted
23 housing and single-family and multifamily resi-
24 dential housing subject to mortgages insured
25 under title II of the National Housing Act (12

1 U.S.C. 1707 et seq.), insured, guaranteed, or
2 made by the Secretary of Agriculture under
3 title V of the Housing Act of 1949 (42 U.S.C.
4 1471 et seq.), or insured, guaranteed, or made
5 by the Secretary of Veterans Affairs under
6 chapter 37 of title 38, United States Code; and
7 (C) recommendations for Congress regard-
8 ing the Federal laws (including regulations) de-
9 scribed in subparagraph (B).

10 (2) PUBLICATION.—The report required under
11 paragraph (1) shall, prior to submission under this
12 subsection, be published in the Federal Register and
13 open for comment for a period of 30 days.

14 **SEC. 802. STREAMLINING RURAL HOUSING ACT.**

15 (a) IN GENERAL.—Not later than 180 days after the
16 date of enactment of this Act, the Secretary of Housing
17 and Urban Development and the Secretary of Agriculture
18 shall enter into a memorandum of understanding to—

19 (1) evaluate categorical exclusions under the en-
20 vironmental review process for housing projects
21 funded by amounts from the Department of Housing
22 and Urban Development and the Department of Ag-
23 riculture;

24 (2) develop a process to designate a lead agency
25 and streamline adoption of Environmental Impact

1 Statements and Environmental Assessments ap-
2 proved by the other Department to construct hous-
3 ing projects funded by both agencies;

4 (3) maintain compliance with environmental
5 regulations under part 58 of title 24, Code of Fed-
6 eral Regulations, as in effect on January 1, 2025,
7 except as required to amend, add, or remove cat-
8 egorical exclusions identified under section 58.35 of
9 title 24, Code of Federal Regulations, through
10 standard rulemaking procedures; and

11 (4) evaluate the feasibility of a joint physical in-
12 spection process for housing projects funded by
13 amounts from the Department of Housing and
14 Urban Development and the Department of Agri-
15 culture.

16 (b) REPORT.—Not later than 1 year after the date
17 of enactment of this Act, the Secretary of Housing and
18 Urban Development and the Secretary of Agriculture shall
19 submit to the Committee on Banking, Housing, and
20 Urban Affairs of the Senate and the Committee on Finan-
21 cial Services of the House of Representatives a report that
22 includes recommendations for legislative, regulatory, or
23 administrative actions—

24 (1) to improve the efficiency and effectiveness
25 of housing projects funded by amounts from the De-

1 partment of Housing and Urban Development and
2 the Department of Agriculture; and

3 (2) that do not materially, with respect to resi-
4 dents of housing projects described in paragraph
5 (1)—

6 (A) reduce the safety of those residents;

7 (B) shift long-term costs onto those resi-
8 dents; or

9 (C) undermine the environmental stand-
10 ards of those residents.

11 **SEC. 803. IMPROVING SELF-SUFFICIENCY OF FAMILIES IN**
12 **HUD-SUBSIDIZED HOUSING.**

13 (a) IN GENERAL.—

14 (1) STUDY.—Subject to subsection (b), the Sec-
15 retary of Housing and Urban Development shall
16 conduct a study on the implementation of work re-
17 quirements implemented prior to the date of enact-
18 ment of this Act by public housing agencies de-
19 scribed in paragraph (4) participating in the Moving
20 to Work demonstration authorized under section 204
21 of the Departments of Veterans Affairs and Housing
22 and Urban Development, and Independent Agencies
23 Appropriations Act, 1996 (42 U.S.C. 1437f note).

24 (2) SCOPE.—The study required under para-
25 graph (1) shall—

1 (A) consider the short-, medium-, and
2 long-term benefits and challenges of work re-
3 quirements on public housing agencies described
4 in paragraph (4) and on program participants
5 who are subject to such requirements, including
6 the effects work requirements have on home-
7 lessness rates, poverty rates, asset building,
8 earnings growth, job attainment and retention,
9 and public housing agencies' administrative ca-
10 pacity; and

11 (B) include quantitative and qualitative
12 evidence, including interviews with program
13 participants described in subparagraph (A) and
14 their respective resident councils.

15 (3) REPORT.—Not later than 1 year after the
16 date of enactment of this Act, the Secretary shall
17 submit to the Committee on Banking, Housing, and
18 Urban Affairs of the Senate and the Committee on
19 Financial Services of the House of Representatives
20 a report on the initial findings of the study required
21 under paragraph (1).

22 (4) PUBLIC HOUSING AGENCIES DESCRIBED.—
23 The public housing agencies described in this para-
24 graph are public housing agencies that, as part of an
25 application to participate in the demonstration au-

1 thorized under section 204 of the Departments of
2 Veterans Affairs and Housing and Urban Develop-
3 ment, and Independent Agencies Appropriations Act,
4 1996 (42 U.S.C. 1437f note), submit a proposal
5 identifying work requirements as an innovative pro-
6 posal.

7 (b) DETERMINATION.—The requirement under sub-
8 section (a) shall apply if the Secretary of Housing and
9 Urban Development determines that—

10 (1) there are a sufficient number of public
11 housing agencies described in subsection (a)(4) such
12 that the Secretary of Housing and Urban Develop-
13 ment can rigorously evaluate the impact of the im-
14 plementation of work requirements described in that
15 subsection; and

16 (2) the study would not negatively impact low-
17 income families receiving assistance through a public
18 housing agency described in subsection (a)(4).

19 **SEC. 804. GAO STUDIES.**

20 (a) WORKFORCE HOUSING STUDY.—

21 (1) MIDDLE-INCOME HOUSEHOLD DEFINED.—
22 In this subsection, the term “middle-income house-
23 hold” means a household with an income above 80
24 percent but that does not exceed 120 percent of the
25 median family income of the area, as determined by

1 the Secretary of Housing and Urban Development
2 with adjustments for smaller and larger families.

3 (2) STUDY.—Not later than 1 year after the
4 date of enactment of this Act, the Comptroller Gen-
5 eral of the United States shall conduct a study and
6 submit to Congress a report that—

7 (A) identifies obstacles middle-income
8 households face when looking to secure afford-
9 able housing;

10 (B) identifies geographic areas where hous-
11 ing is the most unaffordable and unavailable for
12 middle-income households;

13 (C) includes a list of Federal housing pro-
14 grams, including Federal tax credits, grants,
15 and loan programs, that are not available to
16 middle-income households due to their income
17 status, including Federal housing programs de-
18 signed to promote affordability;

19 (D) recommends income and other param-
20 eters to establish a clear and consistent Federal
21 definition for the term “workforce housing” for
22 use when describing the segment of housing
23 that could be made available to those middle-in-
24 come households in Federal housing programs

1 if funding commensurate with the additional eli-
2 gibility were to be made available; and

3 (E) analyzes how to modify or newly de-
4 velop new Federal housing programs and incen-
5 tives to include “workforce housing” if funding
6 commensurate with the additional eligibility
7 were to be made available.

8 (b) HOUSING FOR ELDERLY OR DISABLED.—Not
9 later than 1 year after the date of enactment of this Act,
10 the Comptroller General of the United States shall carry
11 out a study and submit to Congress a report that identifies
12 options to remove barriers and improve housing for per-
13 sons who are elderly or disabled, including any potential
14 impacts of providing capital advances for—

15 (1) the program for supportive housing for the
16 elderly under section 202 of the Housing Act of
17 1959 (12 U.S.C. 1701q); and

18 (2) the program for supportive housing for per-
19 sons with disabilities under section 811 of the Cran-
20 ston-Gonzalez National Affordable Housing Act (42
21 U.S.C. 8013).

22 (c) PROXIMITY OF HOUSING TO SUPERFUND
23 SITES.—Not later than 1 year after the date of enactment
24 of this Act, the Comptroller General of the United States
25 shall carry out a study and submit to Congress a report

1 that identifies how many residential dwelling units, and
2 how many dwelling units that are a part of public housing
3 (as defined in section 3(b) of the United States Housing
4 Act of 1937 (42 U.S.C. 1437a(b))), are located less than
5 1 mile from a site that is included on the National Prior-
6 ities List established pursuant to section 105 of the Com-
7 prehensive Environmental Response, Compensation, and
8 Liability Act of 1980 (42 U.S.C. 9605).

9 (d) RESIDENTIAL HEIRS PROPERTY.—Not later than
10 1 year after the date of enactment of this Act, the Comp-
11 troller General of the United States shall carry out a study
12 and submit to the Committee on Banking, Housing, and
13 Urban Affairs of the Senate and the Committee on Finan-
14 cial Services of the House of Representatives a report
15 that—

16 (1) establishes a comprehensive definition of
17 residential heirs property, or family land inherited
18 without a will or legal documentation of ownership;

19 (2) examines the occurrence of and con-
20 sequences to owners of residential heirs property,
21 and provides an estimate regarding the number of
22 current residential heirs properties;

23 (3) describes the objectives and requirements of
24 the Uniform Partition of Heirs Property Act as ap-

1 proved by the National Conference of Commissioners
2 on Uniform State Laws in 2010;

3 (4) details the various resources that may be
4 available to the owners of residential heirs prop-
5 erties, including housing counseling, legal services,
6 and financial assistance to resolve residential heirs
7 property title issues from the Federal Government,
8 nonprofit organizations, and institutions of higher
9 education; and

10 (5) makes recommendations with respect to how
11 to reduce the number of residential heirs properties,
12 including—

13 (A) by incentivizing States and other juris-
14 dictions which enact or adopt the Uniform Par-
15 tition of Heirs Property Act or similar such re-
16 forms;

17 (B) by awarding grants to States and
18 other jurisdictions to assist residents of those
19 States and jurisdictions to establish and docu-
20 ment property ownership rights or settle a dece-
21 dent's estate;

22 (C) by awarding grants to entities that—

23 (i) provide housing counseling, legal
24 assistance, and financial assistance to
25 home-owners and their heirs relating to

1 title clearing and home retention efforts of
2 heirs' property; and

3 (ii) target services to low- and mod-
4 erate-income persons or provide services in
5 neighborhoods that have a high concentra-
6 tion of low- and moderate-income persons;
7 and

8 (D) by conducting other activities that as-
9 sist individuals to clear title with respect to
10 heirs' property and with general estate plan-
11 ning.

12 **SEC. 805. IMPROVING PUBLIC HOUSING AGENCY ACCOUNT-**
13 **ABILITY.**

14 (a) DEFINITIONS.—In this section:

15 (1) COVERED PUBLIC HOUSING AGENCY.—The
16 term “covered public housing agency” means a pub-
17 lic housing agency (as defined in section 3(b) of the
18 United States Housing Act of 1937 (42 U.S.C.
19 1437a(b))) for which an administrative or judicial
20 receiver or Federal monitor was appointed.

21 (2) INSPECTOR GENERAL.—The term “Inspec-
22 tor General” means the Inspector General of the De-
23 partment of Housing and Urban Development.

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

1 (b) REQUIRED NOTICE.—The Secretary shall require
2 each covered public housing agency to provide a notice
3 each year to the Secretary that—

4 (1) indicates that if a receiver or Federal mon-
5 itor remains appointed for the covered public hous-
6 ing agency as of October 1 of the calendar year to
7 which the notice relates;

8 (2) provides the date on which the receiver or
9 Federal monitor was first appointed and the pro-
10 jected date, if known, the appointment of the re-
11 ceiver or Federal monitor will be terminated; and

12 (3) identifies the current receiver or Federal
13 monitor appointed to oversee the public housing
14 agency.

15 (c) FEDERAL MONITOR AND RECEIVER TRANS-
16 PARENCY.—

17 (1) IN GENERAL.—Notwithstanding any other
18 provision of law, not later than October 1 of each
19 year, each receiver or Federal monitor that is cur-
20 rently appointed to oversee a covered public housing
21 agency shall provide to the Committee on Financial
22 Services of the House of Representatives and the
23 Committee on Banking, Housing, and Urban Affairs
24 of the Senate a written assessment that—

1 (A) describes the management and over-
2 sight activities of the receiver or Federal mon-
3 itor for the covered public housing agency;

4 (B) identifies the significant factors that
5 led to the appointment of the receiver or Fed-
6 eral monitor for the covered public housing
7 agency;

8 (C) identifies the factors that remain unre-
9 solved at the covered public housing agency that
10 have led to the continued oversight of the re-
11 ceiver or Federal monitor; and

12 (D) includes a timeline developed by the
13 receiver or Federal monitor that projects when
14 the factors identified under subparagraphs (B)
15 and (C) will be resolved.

16 (2) ADDITIONAL INFORMATION.—In addition to
17 the written assessment required in paragraph (1),
18 upon written request by the Committee on Banking,
19 Housing, and Urban Affairs of the Senate or the
20 Committee on Financial Services of the House of
21 Representatives, each receiver or Federal monitor
22 appointed to oversee a covered public housing agency
23 shall promptly furnish additional or supplemental in-
24 formation requested by the Committee on Banking,
25 Housing, and Urban Affairs of the Senate or the

1 Committee on Financial Services of the House of
2 Representatives with respect to the covered public
3 housing agency that such receiver or Federal mon-
4 itor is appointed to oversee, including presenting tes-
5 timony upon request.

6 (d) DISCLOSURE REQUIRED.—The Secretary shall,
7 not later than 1 year after the date of enactment of this
8 Act, require each covered public housing agency to publicly
9 disclose, on the website of the covered public housing
10 agency, with respect to each contract entered into by such
11 covered public housing agency in the preceding year, the
12 following information:

13 (1) All material information about the contract,
14 including the goods and service provided.

15 (2) The identity of the vendor selected to re-
16 ceive the contract.

17 (3) The date of the solicitation of the contract.

18 (4) The relevant information pertaining to the
19 bids and quotes solicited for the contract.

20 (5) The name of the official who solicited the
21 contract.

22 (e) INSPECTOR GENERAL REVIEW.—Not later than
23 180 days after receiving a written request from the Com-
24 mittee on Financial Services of the House of Representa-
25 tives or the Committee on Banking, Housing, and Urban

1 Affairs of the Senate, the Inspector General shall provide
2 to the requesting committee an analysis of—

3 (1) the status of any covered public housing
4 agency's compliance with any agreements entered
5 into between the covered public housing agency and
6 the Department of Housing and Urban Develop-
7 ment, including specific areas of deficiency and
8 progress toward compliance;

9 (2) a review of actions taken by the receiver or
10 Federal monitor appointed to oversee a covered pub-
11 lic housing agency and any private sector housing
12 development partners pursuant to such agreement,
13 including any gaps in oversight by the receiver or
14 Federal monitor;

15 (3) an assessment of the physical conditions of
16 housing provided by the covered public housing
17 agency, including the status of the covered public
18 housing agency's compliance with relevant health
19 and safety requirements;

20 (4) an examination of any allegations of waste,
21 fraud, abuse or violations of Federal law committed
22 by employees or contractors of the covered public
23 housing agency;

1 (5) any additional pertinent information, as de-
2 termined necessary and appropriate by the inspector
3 general; and

4 (6) any recommendations of the inspector gen-
5 eral that relate to how to improve the compliance of
6 the covered public housing agency with any agree-
7 ments entered into with the Department of Housing
8 and Urban Development or enhance the oversight of
9 the receiver or Federal monitor over such covered
10 public housing agency.

11 **TITLE IX—STRENGTHENING**
12 **COMMUNITY BANKS’ ROLE IN**
13 **HOUSING**

14 **SEC. 901. COMMUNITY BANK DEPOSIT ACCESS.**

15 (a) IN GENERAL.—Section 29 of the Federal Deposit
16 Insurance Act (12 U.S.C. 1831f) is amended by adding
17 at the end the following:

18 “(j) LIMITED EXCEPTION FOR CUSTODIAL DEPOS-
19 ITS.—

20 “(1) IN GENERAL.—Custodial deposits of an el-
21 igible institution shall not be considered to be funds
22 obtained, directly or indirectly, by or through a de-
23 posit broker to the extent that the total amount of
24 such custodial deposits does not exceed an amount

1 equal to 20 percent of the total liabilities of the eligi-
2 ble institution.

3 “(2) DEFINITIONS.—In this subsection:

4 “(A) CUSTODIAL DEPOSIT.—The term
5 ‘custodial deposit’ means a deposit that is not
6 deposited at an insured depository institution in
7 return for fees paid by the insured depository
8 institution pursuant to an agreement with a
9 third party and that would otherwise be consid-
10 ered to be obtained, directly or indirectly, by or
11 through a deposit broker, if the deposit is de-
12 posited at 1 or more insured depository institu-
13 tions, for the purpose of providing or maintain-
14 ing deposit insurance for the benefit of a third
15 party, by or through any of the following, each
16 acting in a formal custodial or fiduciary capac-
17 ity for the benefit of a third party:

18 “(i) An insured depository institution
19 serving as agent, trustee, or custodian.

20 “(ii) A trust entity controlled by an
21 insured depository institution serving as
22 agent, trustee, or custodian.

23 “(iii) A State-chartered trust company
24 serving as agent, trustee, or custodian.

1 “(iv) A plan administrator or invest-
2 ment advisor, acting in a formal custodial
3 or fiduciary capacity for the benefit of a
4 plan.

5 “(B) ELIGIBLE INSTITUTION.—The term
6 ‘eligible institution’ means an insured deposi-
7 tory institution that accepts custodial deposits,
8 if the insured depository institution has less
9 than \$10,000,000,000 in total assets as re-
10 ported on the consolidated report of condition
11 and income as reported quarterly to the appro-
12 priate Federal banking agency and—

13 “(i)(I) when most recently examined
14 under section 10(d) was assigned a com-
15 posite rating of 1, 2, or 3 under the Uni-
16 form Financial Institutions Rating System
17 (or an equivalent rating under a com-
18 parable rating system); and

19 “(II) is well capitalized; or

20 “(ii) has obtained a waiver pursuant
21 to subsection (c).

22 “(C) PLAN.—The term ‘plan’ has the
23 meaning given the term in section 3 of the Em-
24 ployee Retirement Income Security Act of 1974
25 (29 U.S.C. 1002).

1 “(D) PLAN ADMINISTRATOR.—The term
2 ‘plan administrator’ has the meaning given the
3 term ‘administrator’ in section 3 of the Em-
4 ployee Retirement Income Security Act of 1974
5 (29 U.S.C. 1002).

6 “(E) WELL CAPITALIZED.—The term ‘well
7 capitalized’ has the meaning given the term in
8 section 38(b).”.

9 (b) INTEREST RATE RESTRICTION.—Section 29 of
10 the Federal Deposit Insurance Act (12 U.S.C. 1831f), as
11 amended by subsection (a), is further amended by adding
12 at the end the following:

13 “(k) RESTRICTION ON INTEREST RATE PAID ON
14 CERTAIN CUSTODIAL DEPOSITS.—

15 “(1) DEFINITIONS.—In this subsection—

16 “(A) the terms ‘custodial deposit’, ‘eligible
17 institution’, and ‘well capitalized’ have the
18 meanings given those terms in subsection (j);
19 and

20 “(B) the term ‘covered insured depository
21 institution’ means an insured depository institu-
22 tion that while acting as an eligible institution
23 under subsection (j), accepts custodial deposits
24 while not well capitalized.

1 “(2) PROHIBITION.—A covered insured deposi-
2 tory institution may not pay a rate of interest on
3 custodial deposits that are accepted while not well
4 capitalized that, at the time the funds or custodial
5 deposits are accepted, significantly exceeds the limit
6 set forth in paragraph (3).

7 “(3) LIMIT ON INTEREST RATES.—The limit on
8 the rate of interest referred to in paragraph (2) shall
9 be not greater than—

10 “(A) the rate paid on deposits of similar
11 maturity in the normal market area of the cov-
12 ered insured depository institution for deposits
13 accepted in the normal market area of the cov-
14 ered insured depository institution; or

15 “(B) the national rate paid on deposits of
16 comparable maturity, as established by the Cor-
17 poration, for deposits accepted outside the nor-
18 mal market area of the covered insured deposi-
19 tory institution.”.

20 **SEC. 902. KEEPING DEPOSITS LOCAL.**

21 (a) AMOUNT OF RECIPROCAL DEPOSITS THAT ARE
22 NOT CONSIDERED TO BE FUNDS OBTAINED BY OR
23 THROUGH A DEPOSIT BROKER.—Section 29(i) of the
24 Federal Deposit Insurance Act (12 U.S.C. 1831f(i)) is

1 amended by striking paragraph (1) and inserting the fol-
2 lowing:

3 “(1) IN GENERAL.—The sum of the following
4 amounts of reciprocal deposits of an agent institu-
5 tion shall not be considered to be funds obtained, di-
6 rectly or indirectly, by or through a deposit broker:

7 “(A) An amount equal to 50 percent of the
8 portion of the total liabilities of the agent insti-
9 tution that is less than or equal to
10 \$1,000,000,000.

11 “(B) An amount equal to 40 percent of the
12 portion, if any, of the total liabilities of the
13 agent institution that is greater than
14 \$1,000,000,000, but less than or equal to
15 \$10,000,000,000.

16 “(C) An amount equal to 30 percent of the
17 portion, if any, of the total liabilities of the
18 agent institution that is greater than
19 \$10,000,000,000, but less than or equal to
20 \$96,333,333,333.”.

21 (b) DEFINITION OF AGENT INSTITUTION.—Section
22 29(i)(2)(A)(i)(I) of the Federal Deposit Insurance Act (12
23 U.S.C. 1831f(i)(2)(A)(i)) is amended by striking “was
24 found to have a composite condition of outstanding or
25 good” and inserting “was assigned a CAMELS rating of

1 1, 2, or 3 under the Uniform Financial Institutions Rating
2 System (or an equivalent rating under a comparable rat-
3 ing system)”.
4

5 (c) RECIPROCAL DEPOSITS STUDY.—

6 (1) IN GENERAL.—The Federal Deposit Insur-
7 ance Corporation, in consultation with the Board of
8 Governors of the Federal Reserve System, shall
9 carry out a study on reciprocal deposits.

10 (2) CONTENTS.—The study required under
11 paragraph (1) shall include—

12 (A) an analysis of how reciprocal deposits
13 have performed since 2018, which shall in-
14 clude—

15 (i) the use of quantitative and quali-
16 tative data;

17 (ii) a breakdown of the usage of recip-
18 rocal deposits by size of insured depository
19 institution;

20 (iii) the usage of reciprocal deposits
21 during periods of stress; and

22 (iv) an analysis, to the extent prac-
23 ticable, of end-user depositors, such as mu-
24 nicipalities, businesses, and nonprofit orga-
25 nizations, that drive demand for reciprocal
products;

1 (B) an analysis, to the extent practicable,
2 of how reciprocal deposits compare to other de-
3 posit arrangements; and

4 (C) an analysis of the benefits and poten-
5 tial risks of reciprocal deposits.

6 (3) REPORT.—Not later than 6 months after
7 the date of enactment of this Act, the Federal De-
8 posit Insurance Corporation shall issue a report to
9 the Committee on Financial Services of the House of
10 Representatives and the Committee on Banking,
11 Housing, and Urban Affairs of the Senate con-
12 taining all findings and determinations made in car-
13 rying out the study required under paragraph (1).

14 **SEC. 903. TAILORED REGULATORY UPDATES FOR SUPER-**
15 **VISORY TESTING.**

16 Section 10(d) of the Federal Deposit Insurance Act
17 (12 U.S.C. 1820(d)) is amended—

18 (1) in paragraph (4)(A), by striking
19 “\$3,000,000,000” and inserting “\$6,000,000,000”;
20 and

21 (2) in paragraph (10), by striking
22 “\$3,000,000,000” and inserting “\$6,000,000,000”.

23 **SEC. 904. CREDIT UNION BOARD MODERNIZATION.**

24 Section 113 of the Federal Credit Union Act (12
25 U.S.C. 1761b) is amended—

1 (1) by striking “monthly” each place such term
2 appears;

3 (2) in the matter preceding paragraph (1), by
4 striking “The board of directors” and inserting the
5 following:

6 “(a) IN GENERAL.—The board of directors”;

7 (3) in subsection (a) (as so designated), by
8 striking “shall meet at least once a month and”; and

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

10 “(b) MEETINGS.—The board of directors of a Federal
11 credit union shall meet as follows:

12 “(1) With respect to a de novo Federal credit
13 union, not less frequently than monthly during each
14 of the first five years of the existence of such Fed-
15 eral credit union.

16 “(2) Not less than six times annually, with at
17 least one meeting held during each fiscal quarter,
18 with respect to a Federal credit union—

19 “(A) with a composite rating of either 1 or
20 2 under the Uniform Financial Institutions
21 Rating System (or an equivalent rating under a
22 comparable rating system); and

23 “(B) with a capability of management rat-
24 ing under such composite rating of either 1 or
25 2.

1 “(3) Not less frequently than once a month,
2 with respect to a Federal credit union—

3 “(A) with a composite rating of either 3,
4 4, or 5 under the Uniform Financial Institu-
5 tions Rating System (or an equivalent rating
6 under a comparable rating system); or

7 “(B) with a capability of management rat-
8 ing under such composite rating of either 3, 4,
9 or 5.”.

10 **SEC. 905. SYSTEMIC RISK AUTHORITY TRANSPARENCY.**

11 (a) GAO REVIEW.—Section 13(c)(4)(G)(iv) of the
12 Federal Deposit Insurance Act (12 U.S.C.
13 1823(c)(4)(G)(iv)) is amended to read as follows:

14 “(iv) GAO REVIEW.—

15 “(I) IN GENERAL.—The Comp-
16 troller General of the United States
17 shall, not later than 60 days after a
18 determination is made under clause
19 (i), and again 180 days thereafter, re-
20 view and report to the Congress on
21 the determination under clause (i), in-
22 cluding—

23 “(aa) the basis for the deter-
24 mination;

1 “(bb) the purpose for which
2 any action was taken pursuant to
3 such clause;

4 “(cc) the likely effect of the
5 determination and such action on
6 the incentives and conduct of in-
7 sured depository institutions and
8 uninsured depositors;

9 “(dd) any mismanagement
10 by the executives and board of
11 the insured depository institution
12 that contributed to the failure of
13 the insured depository institu-
14 tion;

15 “(ee) a review of the com-
16 pensation practices of the insured
17 depository institution;

18 “(ff) any supervisory or reg-
19 ulatory shortcomings with respect
20 to the appropriate Federal bank-
21 ing agency of the insured deposi-
22 tory institution;

23 “(gg) any actions taken by
24 the Federal banking regulators,
25 Financial Stability Oversight

1 Council, Department of the
2 Treasury, and other relevant fi-
3 nancial regulators in relation to
4 the failure of the insured deposi-
5 tory institution; and

6 “(hh) any additional rel-
7 evant entities or activities that
8 may have contributed to the fail-
9 ure of the insured depository in-
10 stitution, including with respect
11 to auditing, accounting, credit
12 rating agencies, investment bank
13 underwriters, and emergency li-
14 quidity options such as loans
15 from the Federal reserve banks
16 or advances through the Federal
17 Home Loan Bank system.

18 “(II) RULE OF CONSTRUC-
19 TION.—Nothing in this clause or a re-
20 port issued pursuant to this clause
21 may be construed to limit the author-
22 ity of a Federal agency to enforce vio-
23 lations of Federal statutes, rules, or
24 orders.”.

1 (b) APPROPRIATE FEDERAL BANKING AGENCY RE-
2 PORT.—Section 13(c) of the Federal Deposit Insurance
3 Act (12 U.S.C. 1823(c)) is amended by adding at the end
4 the following:

5 “(12) APPROPRIATE FEDERAL BANKING AGEN-
6 CY REPORT.—

7 “(A) IN GENERAL.—The appropriate Fed-
8 eral banking agency of an insured depository
9 institution about which a determination is made
10 under paragraph (4)(G)(i) shall, not later than
11 90 days after the date of such determination,
12 and again 210 days thereafter, submit a report
13 to the Congress that discloses the following:

14 “(i) Subject to such redactions as the
15 appropriate Federal banking agency deter-
16 mines appropriate to protect personally
17 identifiable information about customers
18 and other financial institutions (as such
19 term is defined under section
20 11(e)(9)(D))—

21 “(I) all reports of examination
22 and inspection that relate to the failed
23 insured depository institution in the
24 previous 3-year period;

1 “(II) all formal communications
2 of a material supervisory determina-
3 tion conveyed to the failed insured de-
4 pository institution in the previous 3-
5 year period; and

6 “(III) any additional exam re-
7 ports and correspondence that the ap-
8 propriate Federal banking agency de-
9 termines may be relevant to the fail-
10 ure of the insured depository institu-
11 tion.

12 “(ii) An examination of any mis-
13 management by the executives and board
14 of the insured depository institution that
15 contributed to the failure of the insured
16 depository institution.

17 “(iii) Any supervisory or regulatory
18 shortcomings by such appropriate Federal
19 banking agency with respect to the insured
20 depository institution.

21 “(iv) Any dynamics that the appro-
22 priate Federal banking agency determines
23 may have contributed to the failure of the
24 insured depository institution.

1 “(v) Any supervisory, regulatory, or
2 legislative recommendations such appro-
3 priate Federal banking agency may have to
4 improve the safety and soundness of simi-
5 larly situated insured depository institu-
6 tions, the banking system, and financial
7 stability.

8 “(B) PROTECTION OF SENSITIVE INFOR-
9 MATION.—

10 “(i) EFFECT ON PRIVILEGE.—The
11 provision of any information by a Federal
12 banking agency under this paragraph may
13 not be construed as—

14 “(I) waiving, destroying, or oth-
15 erwise affecting any privilege applica-
16 ble to the information; or

17 “(II) waiving any exemption ap-
18 plicable to the information under sec-
19 tion 552 of title 5, United States
20 Code (commonly known as the ‘Free-
21 dom of Information Act’).

22 “(ii) TRANSPARENCY.—

23 “(I) IN GENERAL.—A Federal
24 banking agency shall publish mate-
25 rials contained in a report required

1 under subparagraph (A) to the fullest
2 extent possible to promote trans-
3 parency.

4 “(II) CONSULTATION ON OMIT-
5 TING MATERIALS.—If a Federal bank-
6 ing agency determines particular ma-
7 terials described under subclause (I)
8 should not be published, the Federal
9 banking agency shall consult with the
10 chair and ranking member of the
11 Committee on Financial Services of
12 the House of Representatives and the
13 chair and ranking member of the
14 Committee on Banking, Housing, and
15 Urban Affairs of the Senate.

16 “(III) OMITTING MATERIALS.—
17 If, after the consultation required
18 under subclause (II), the Federal
19 banking agency determines there is a
20 substantial public interest in not pub-
21 lishing such materials, the Federal
22 banking agency shall provide those
23 materials to the Committee on Finan-
24 cial Services of the House of Rep-
25 resentatives and the Committee on

1 Banking, Housing, and Urban Affairs
2 of the Senate with a written expla-
3 nation describing the reasons for not
4 publishing those materials.

5 “(iii) PRIVILEGE.—For purposes of
6 this subparagraph, the term ‘privilege’ in-
7 cludes any work-product, attorney-client,
8 or other privilege recognized under Federal
9 or State law.

10 “(C) REPORT EXTENSION.—A Federal
11 banking agency may extend a deadline de-
12 scribed under subparagraph (A) for an addi-
13 tional 60 days, if the Federal banking agency—

14 “(i) faces ongoing circumstances that
15 require the Federal banking agency to
16 prioritize activities to promote stability of
17 the United States banking system; and

18 “(ii) notifies the Congress of such ex-
19 tension and the reasons for such extension.

20 “(D) CONSOLIDATED REPORTS.—A Fed-
21 eral banking agency may consolidate multiple
22 reports required under this paragraph so long
23 as the individual reports being consolidated all
24 meet the timing requirements under this para-
25 graph.

1 “(E) RULE OF CONSTRUCTION.—Nothing
2 in this paragraph or reports or materials pro-
3 vided pursuant to this paragraph may be con-
4 strued to limit the authority of a Federal agen-
5 cy to enforce violations of Federal statutes,
6 rules, or orders.”.

7 **SEC. 906. ADVANCING THE MENTOR-PROTÉGÉ PROGRAM**
8 **FOR SMALL FINANCIAL INSTITUTIONS.**

9 Section 308 of the Financial Institutions Reform, Re-
10 covery, and Enforcement Act of 1989 (12 U.S.C. 1463
11 note) is amended by adding at the end the following new
12 subsection:

13 “(d) FINANCIAL AGENT MENTOR-PROTÉGÉ PRO-
14 GRAM.—

15 “(1) IN GENERAL.—The Secretary shall estab-
16 lish a program to be known as the ‘Financial Agent
17 Mentor-Protégé Program’ (in this subsection re-
18 ferred to as the ‘Program’) under which a financial
19 agent designated by the Secretary or a large finan-
20 cial institution may serve as a mentor, under guid-
21 ance or regulations prescribed by the Secretary, to
22 a small financial institution to allow such small fi-
23 nancial institution—

24 “(A) to be prepared to perform as a finan-
25 cial agent; or

1 “(B) to improve capacity to provide serv-
2 ices to the customers of the small financial in-
3 stitution.

4 “(2) OUTREACH.—The Secretary shall hold
5 outreach events to promote the participation of fi-
6 nancial agents, large financial institutions, and small
7 financial institutions in the Program at least once a
8 year.

9 “(3) EXCLUSION.—The Secretary shall issue
10 guidance or regulations to establish a process under
11 which a financial agent, large financial institution,
12 or small financial institution may be excluded from
13 participation in the Program.

14 “(4) REPORT.—The Secretary shall report to
15 Congress information pertaining to the Program, in-
16 cluding—

17 “(A) the number of financial agents, large
18 financial institutions, and small financial insti-
19 tutions participating in such Program; and

20 “(B) the number of outreach events de-
21 scribed in paragraph (2) held during the year
22 covered by such report.

23 “(5) DEFINITIONS.—In this subsection:

24 “(A) FINANCIAL AGENT.—The term ‘fi-
25 nancial agent’ means any national banking as-

1 society designated by the Secretary to be em-
2 ployed as a financial agent of the Government.

3 “(B) LARGE FINANCIAL INSTITUTION.—

4 The term ‘large financial institution’ means any
5 entity regulated by the Comptroller of the Cur-
6 rency, the Board of Governors of the Federal
7 Reserve System, the Federal Deposit Insurance
8 Corporation, or the National Credit Union Ad-
9 ministration that has total consolidated assets
10 greater than or equal to \$50,000,000,000.

11 “(C) RURAL DEPOSITORY INSTITUTION.—

12 The term ‘rural depository institution’ means a
13 depository institution (as defined in section 3 of
14 the Federal Deposit Insurance Act (12 U.S.C.
15 1813))—

16 “(i) with total consolidated assets of
17 less than \$10,000,000,000; and

18 “(ii) located in a rural area, as de-
19 fined under section 1026.35(b)(2)(iv)(A) of
20 title 12, Code of Federal Regulations.

21 “(D) SECRETARY.—The term ‘Secretary’
22 means the Secretary of the Treasury.

23 “(E) SMALL FINANCIAL INSTITUTION.—

24 The term ‘small financial institution’ means—

1 “(i) any entity regulated by the
2 Comptroller of the Currency, the Board of
3 Governors of the Federal Reserve System,
4 the Federal Deposit Insurance Corpora-
5 tion, or the National Credit Union Admin-
6 istration that has total consolidated assets
7 less than or equal to \$2,000,000,000;

8 “(ii) a minority depository institution;
9 or

10 “(iii) a rural depository institution.”.

11 **SEC. 907. AMERICAN ACCESS TO BANKING.**

12 (a) STREAMLINING APPLICATION PROCESS AND RE-
13 VIEW OF CAPITAL RAISING BY DE NOVO REGULATED IN-
14 STITUTIONS.—

15 (1) IN GENERAL.—Each of the Federal finan-
16 cial institutions regulatory agencies shall—

17 (A) for the purpose of streamlining the
18 process of applying to become a de novo regu-
19 lated institution, conduct a review of any appli-
20 cation forms related to such process;

21 (B) to the extent practicable, gather infor-
22 mation needed from applicants seeking to be-
23 come a de novo regulated institution from other
24 Federal Government agencies or public sources

1 to minimize information requests of such appli-
2 cants; and

3 (C) in consultation with the Securities and
4 Exchange Commission, review how de novo reg-
5 ulated institutions raise capital while maintain-
6 ing investor protections, including the impact
7 of—

8 (i) general capital raising restrictions;
9 and

10 (ii) capital raising restrictions related
11 to individuals who are not accredited inves-
12 tors.

13 (2) REPORT.—Not later than 1 year after the
14 date of enactment of this Act, and annually for 5
15 years thereafter, each of the Federal financial insti-
16 tutions regulatory agencies shall submit to the Com-
17 mittee on Financial Services of the House of Rep-
18 resentatives and the Committee on Banking, Hous-
19 ing, and Urban Affairs of the Senate and publish on
20 a public website of such agency a report that con-
21 tains—

22 (A) a description of the actions taken by
23 such agency pursuant to paragraph (1); and

1 (B) as appropriate, any administrative or
2 legislative recommendations with respect to the
3 purpose described in paragraph (1)(C).

4 (b) IMPROVING COMMUNICATION WITH DE NOVO
5 REGULATED INSTITUTIONS.—

6 (1) IN GENERAL.—Each of the Federal finan-
7 cial institutions regulatory agencies shall, at the re-
8 quest of an applicant to become a de novo regulated
9 institution, designate an employee of the agency as
10 a caseworker, who may perform such duty in addi-
11 tion to the other duties of the employee.

12 (2) CASEWORKER DUTIES.—Each caseworker
13 described in paragraph (1) shall, to the maximum
14 extent practicable—

15 (A) meet with the lead organizers applying
16 to become a de novo regulated institution to
17 provide a tutorial with respect to the applica-
18 tion process; and

19 (B) be the primary point of contact of the
20 respective Federal financial institutions regu-
21 latory agency for such organizers during the ap-
22 plication process.

23 (3) NEW CASEWORKER.—Each agency de-
24 scribed in paragraph (1) may designate a new case-
25 worker, as appropriate, to support continuity based

1 on staffing and responsibilities assigned to the cur-
2 rent caseworker.

3 (c) DE NOVO MENTOR-PROTÉGÉ PARTNERSHIPS.—

4 (1) IN GENERAL.—At the request of an institu-
5 tion that seeks to become a de novo regulated insti-
6 tution, each of the Federal financial institutions reg-
7 ulatory agencies shall, to the maximum extent prac-
8 ticable, provide a list to such institution of similar
9 types of institutions that—

10 (A) were recently approved to become a de
11 novo regulated institution; and

12 (B) are interested in volunteering to serve
13 as a mentor to provide advice about the de novo
14 application process.

15 (2) MENTORSHIP INFORMATION.—Not later
16 than 1 year after the date of enactment of this Act,
17 each of the Federal financial institutions regulatory
18 agencies shall provide public information and direc-
19 tions on how an institution may request a mentor or
20 serve as a mentor as described in paragraph (1).

21 (d) STATE AND STAKEHOLDER ENGAGEMENT
22 PLAN.—

23 (1) IN GENERAL.—Each of the Federal finan-
24 cial institutions regulatory agencies shall develop a
25 plan to—

1 (A) regularly consult with State regulators
2 to promote cooperation between State and Fed-
3 eral banking and credit union agencies in the
4 creation of de novo regulated institutions, in-
5 cluding responding to any State regulator that
6 requests assistance on how a State-chartered fi-
7 nancial institution can request Federal insur-
8 ance;

9 (B) regularly consult with stakeholders, in-
10 cluding applicants to become de novo regulated
11 institutions and recently approved regulated in-
12 stitutions, to inform any reforms that may sup-
13 port the creation of de novo regulated institu-
14 tions, including rural institutions, community
15 development financial institutions, and minority
16 depository institutions; and

17 (C) provide guidance, training material,
18 and regular workshops to assist any interested
19 parties to understand such agencies' processes.

20 (2) SUBMISSION TO CONGRESS.—

21 (A) IN GENERAL.—Not later than 2 years
22 after the date of enactment of this Act, and
23 every 5 years thereafter, each of the Federal fi-
24 nancial institutions regulatory agencies shall
25 submit to the Committee on Financial Services

1 of the House of Representatives and the Com-
2 mittee on Banking, Housing, and Urban Affairs
3 of the Senate the respective plan of such agency
4 described in paragraph (1).

5 (B) PUBLIC COMMENT.—With respect to
6 developing the plan described in paragraph (1),
7 each of the Federal financial institutions regu-
8 latory agencies shall—

9 (i) provide an opportunity for public
10 comments; and

11 (ii) take such public comments into
12 consideration.

13 (e) DEFINITIONS.—

14 (1) IN GENERAL.—In this section:

15 (A) FEDERAL BANKING AGENCY.—The
16 term “Federal banking agency” has the mean-
17 ing given the term in section 3 of the Federal
18 Deposit Insurance Act (12 U.S.C. 1813).

19 (B) FEDERAL FINANCIAL INSTITUTIONS
20 REGULATORY AGENCIES.—The term “Federal
21 financial institutions regulatory agencies” has
22 the meaning given the term in section 1003 of
23 the Federal Financial Institutions Examination
24 Council Act of 1978 (12 U.S.C. 3302).

1 (C) REGULATED INSTITUTION.—The term
2 “regulated institution” means—

3 (i) with respect to a Federal banking
4 agency, a depository institution (as such
5 term is defined in section 3 of the Federal
6 Deposit Insurance Act (12 U.S.C. 1813))
7 for which the Federal banking agency is
8 the appropriate Federal banking agency
9 (as such term is defined in such section 3);
10 and

11 (ii) with respect to the National Cred-
12 it Union Administration, an insured credit
13 union (as such term is defined in section
14 101 of the Federal Credit Union Act (12
15 U.S.C. 1752)).

16 (D) STATE.—The term “State” means
17 each of the several States, the District of Co-
18 lumbia, and each territory of the United States.

19 (E) STATE REGULATOR.—The term “State
20 regulator” means—

21 (i) with respect to a Federal banking
22 agency, a State banking regulator; and

23 (ii) with respect to the National Cred-
24 it Union Administration, the State regu-
25 latory agency having jurisdiction over a

1 State credit union (as such term is defined
2 in section 101 of the Federal Credit Union
3 Act (12 U.S.C. 1752)).

4 (2) RULE OF CONSTRUCTION.—For purposes of
5 this section, the process of applying to become a de
6 novo regulated institution shall include the process
7 of applying for Federal deposit insurance, Federal
8 share insurance, or membership in the Federal Re-
9 serve System.

10 **SEC. 908. PROMOTING NEW BANK FORMATION.**

11 (a) PILOT PHASE-IN OF CAPITAL STANDARDS.—The
12 Federal banking agencies may issue rules that provide for
13 a 2-year phase-in period for a qualifying community bank
14 or its depository institution holding company to meet any
15 Federal capital requirements that would otherwise be ap-
16 plicable to the qualifying community bank or its depository
17 institution holding company, beginning on—

18 (1) the date on which the qualifying community
19 bank became an insured depository institution; or

20 (2) in the case of its depository institution hold-
21 ing company, the date on which the qualifying com-
22 munity bank of the depository institution holding
23 company became an insured depository institution.

24 (b) PILOT CHANGES TO BUSINESS PLANS.—

1 (1) IN GENERAL.—During the 2-year period be-
2 ginning on the date on which a qualifying commu-
3 nity bank became an insured depository institution,
4 the qualifying community bank or its depository in-
5 stitution holding company may request to deviate
6 from a business plan that has been approved by the
7 appropriate Federal banking agency by submitting a
8 request to such agency pursuant to this section.

9 (2) REVIEW OF CHANGES.—The appropriate
10 Federal banking agency shall, not later than the end
11 of the 180-day period beginning on the receipt of a
12 request under paragraph (1)—

13 (A) approve, conditionally approve, or deny
14 such request; and

15 (B) notify the applicant of such decision
16 and, if the agency denies the request—

17 (i) provide the applicant with the rea-
18 son for such denial; and

19 (ii) suggest changes to the request
20 that, if adopted, would allow the agency to
21 approve such request.

22 (3) RESULT OF FAILURE TO ACT.—If the ap-
23 propriate Federal banking agency fails to approve or
24 deny a request within the 90-day period required

1 under paragraph (2), such request shall be deemed
2 to be approved.

3 (c) PILOT PROGRAM STUDY.—

4 (1) STUDY.—The Federal banking agencies
5 shall, jointly, carry out a study on the impact of the
6 pilot program carried out pursuant to subsections
7 (a) and (b) of this section on the formation of de
8 novo insured depository institutions, including such
9 institutions which are rural depository institutions,
10 community development financial institutions, and
11 minority depository institutions, taking into account
12 safety and soundness, promoting competition, and
13 expanding access to affordable financial products
14 and services to underserved communities.

15 (2) REPORT TO CONGRESS.—Not later than De-
16 cember 31, 2031, the Federal banking agencies
17 shall, jointly, issue a report to the Committee on Fi-
18 nancial Services of the House of Representatives and
19 the Committee on Banking, Housing, and Urban Af-
20 fairs of the Senate containing all findings and deter-
21 minations made in carrying out the study required
22 under paragraph (1).

23 (d) STUDY ON DE NOVO INSURED DEPOSITORY IN-
24 STITUTIONS.—

1 (1) STUDY.—The Federal banking agencies
2 shall, jointly, carry out a study on—

3 (A) the principal causes for the low num-
4 ber of de novo insured depository institutions in
5 the 10-year period ending on the date of enact-
6 ment of this subsection;

7 (B) ways to promote more de novo insured
8 depository institutions in areas currently under-
9 served by insured depository institutions; and

10 (C) ways to ensure de novo depository in-
11 stitutions, including institutions which are rural
12 depository institutions, community development
13 financial institutions, and minority depository
14 institutions, can utilize the Community Bank
15 Leverage Ratio.

16 (2) REPORT TO CONGRESS.—Not later than the
17 end of the 1-year period beginning on the date of en-
18 actment of this Act, the Federal banking agencies
19 shall, jointly, issue a report to the Committee on Fi-
20 nancial Services of the House of Representatives and
21 the Committee on Banking, Housing, and Urban Af-
22 fairs of the Senate containing all findings and deter-
23 minations made in carrying out the study required
24 under paragraph (1).

25 (e) DEFINITIONS.—In this section:

1 (1) APPROPRIATE FEDERAL BANKING AGEN-
2 CY.—The term “appropriate Federal banking agen-
3 cy” has the meaning given the term in section 3 of
4 the Federal Deposit Insurance Act (12 U.S.C.
5 1813).

6 (2) DEPOSITORY INSTITUTION.—The term “de-
7 pository institution” has the meaning given the term
8 in section 3 of the Federal Deposit Insurance Act
9 (12 U.S.C. 1813).

10 (3) DEPOSITORY INSTITUTION HOLDING COM-
11 PANY.—The term “depository institution holding
12 company” has the meaning given the term in section
13 3 of the Federal Deposit Insurance Act (12 U.S.C.
14 1813).

15 (4) FEDERAL BANKING AGENCY.—The term
16 “Federal banking agency” has the meaning given
17 the term in section 3 of the Federal Deposit Insur-
18 ance Act (12 U.S.C. 1813).

19 (5) INSURED DEPOSITORY INSTITUTION.—The
20 term “insured depository institution” has the mean-
21 ing given the term in section 3 of the Federal De-
22 posit Insurance Act (12 U.S.C. 1813).

23 (6) QUALIFYING COMMUNITY BANK.—The term
24 “qualifying community bank” means a depository in-
25 stitution that—

1 (A) including its holding company and all
2 of its subsidiaries and affiliates, has total com-
3 bined assets of less than \$10,000,000,000; and
4 (B) became an insured depository institu-
5 tion between January 1, 2026, and December
6 31, 2028.

7 **SEC. 909. RURAL DEPOSITORIES REVITALIZATION STUDY.**

8 (a) STUDY.—The Federal banking agencies shall,
9 jointly, carry out a study—

10 (1) to identify methods to improve the growth,
11 capital adequacy, and profitability of depository in-
12 stitutions in the United States that primarily serve
13 rural areas; and

14 (2) to identify Federal statutes (other than ap-
15 propriations Acts) or regulations of the Federal
16 banking agencies that limit—

17 (A) the methods identified under para-
18 graph (1); or

19 (B) the establishment of de novo deposi-
20 tory institutions in rural areas.

21 (b) REPORT.—Not later than 1 year after the date
22 of enactment of this Act, the Federal banking agencies
23 shall, jointly, issue a report to Congress containing all
24 findings and determinations made in carrying out the
25 study required under subsection (a).

1 (c) STUDY ON RURAL CREDIT UNIONS.—The Na-
2 tional Credit Union Administration shall carry out a
3 study—

4 (1) to identify methods to improve the growth,
5 capital adequacy, and profitability of credit unions
6 in the United States that primarily serve rural
7 areas; and

8 (2) to identify Federal statutes (other than ap-
9 propriations Acts) or regulations of the National
10 Credit Union Administration that limit—

11 (A) the methods identified under para-
12 graph (1); or

13 (B) the establishment of de novo credit
14 unions in rural areas.

15 (d) REPORT ON RURAL CREDIT UNIONS.—Not later
16 than 1 year after the date of enactment of this Act, the
17 National Credit Union Administration shall issue a report
18 to Congress containing all findings and determinations
19 made in carrying out the study required under subsection
20 (c).

21 (e) DEFINITIONS.—In this section:

22 (1) DEPOSITORY INSTITUTION.—The term “de-
23 pository institution” has the meaning given that
24 term in section 3 of the Federal Deposit Insurance
25 Act (12 U.S.C. 1813).

1 (2) FEDERAL BANKING AGENCIES.—The term
2 “Federal banking agencies” means the Board of
3 Governors of the Federal Reserve System, the
4 Comptroller of the Currency, and the Federal De-
5 posit Insurance Corporation.

6 (3) RURAL.—With respect to an area, the term
7 “rural” has the meaning given that term in section
8 1026.35(b)(2)(iv)(A) of title 12, Code of Federal
9 Regulations.

10 **TITLE X—HOME-OWNERSHIP**
11 **FOR MAIN STREET AMERICA**

12 **SEC. 1001. HOMES ARE FOR PEOPLE, NOT CORPORATIONS.**

13 (a) DEFINITIONS.—In this section:

14 (1) CONSUMER REPORTING AGENCY.—The term
15 “consumer reporting agency” has the meaning given
16 the term in section 603 of the Fair Credit Reporting
17 Act (15 U.S.C. 1681a)).

18 (2) EXCEPTED PURCHASE.—The term “ex-
19 cepted purchase” means any purchase of a single-
20 family home that is—

21 (A) newly constructed, renovated, or a
22 rental conversion for sale by a large institu-
23 tional investor and not as a residence rented
24 pending sale;

1 (B) pursuant to a build-to-rent program
2 where the large institutional investor purchases,
3 constructs, or constructs and retains a newly
4 constructed single-family homes to be managed
5 as a rental property, whether as part of a com-
6 munity made up exclusively of renter-occupied
7 single-family homes or as part of a community
8 made up of single-family homes that are both
9 owner- and renter-occupied;

10 (C) pursuant to a renovate-to-rent pro-
11 gram that—

12 (i) substantially rehabilitates single-
13 family homes that do not meet structural
14 or core system elements of local building
15 codes; and

16 (ii) makes improvements in an aggre-
17 gate dollar amount of not less than 15 per-
18 cent of the purchase price of the single-
19 family home;

20 (D) pursuant to a homeownership program
21 that—

22 (i) requires rental payments and any
23 other fees that are not greater than those
24 collected by the large institutional investor
25 on other similarly situated single-family

1 homes not covered by the eligible home-
2 ownership program;

3 (ii) is subject to a contract between
4 the large institutional investor and renter
5 that shall be considered a consumer credit
6 transaction secured by a dwelling or real
7 property;

8 (iii) provides for positive reporting of
9 rental payments to consumer reporting
10 agencies for any renter, who shall be in-
11 formed of and opts into such reporting;
12 and

13 (iv) requires contribution of meaning-
14 ful financial support from the large institu-
15 tional investor, including price concessions,
16 for the purchase of the single-family home
17 by the renter;

18 (E) pursuant to a program to boost home-
19 ownership that—

20 (i) provides for positive reporting of
21 rental payments to consumer reporting
22 agencies for any renter, who shall be in-
23 formed of and opts into such reporting;

24 (ii) provides for the right of first re-
25 fusals and a 30-day “first look” period; and

1 (iii) may entail the meaningful finan-
2 cial support from the large institutional in-
3 vestor, including price concessions, for the
4 purchase of a single-family home by the
5 renter (whether it is the home the renter
6 occupies or another home);

7 (F) in connection with the satisfaction of
8 debts previously contracted in good faith and
9 where the large institutional investor has the
10 right to repossess the single-family home under
11 such contract;

12 (G) undertaken by a mortgage servicer,
13 lender, or other entity that has a legal right to
14 a single-family home, for the purpose of loss
15 mitigation or compliance with servicing or in-
16 vestor obligations, and not as a long-term in-
17 vestment strategy, and is solely as a result of—

18 (i) a foreclosure;

19 (ii) a deed-in-lieu of foreclosure;

20 (iii) enforcement of a mortgage, deed
21 of trust, or other security interest; or

22 (iv) operation of law following bor-
23 rower default;

24 (H) purchased from another large institu-
25 tional investor that either owned the single-fam-

1 ily home on the date of enactment of this Act
2 or purchased the single-family home in compli-
3 ance with this section;

4 (I) purchased from an investor not covered
5 under this section, so long as the purchase oc-
6 curred not more than 2 years after the effective
7 date under subsection (f);

8 (J) newly constructed, renovated, or a
9 rental conversion that is intended and operated
10 for occupancy as part of a community for
11 households with 1 or more members aged 55
12 years or older, and satisfies visitability stand-
13 ards established by the Secretary of Housing
14 and Urban Development; or

15 (K) purchased through a single purchase
16 or combination or series of purchases described
17 in subparagraphs (A) through (J).

18 (3) LARGE INSTITUTIONAL INVESTOR.—

19 (A) IN GENERAL.—The term “large insti-
20 tutional investor”—

21 (i) means an investment fund, cor-
22 poration, general or limited partnership,
23 limited liability company, joint venture, as-
24 sociation, or other for-profit entity that is

1 a legal entity structured in a manner that
2 is not aforementioned that—

3 (I) is engaged, in whole or in
4 part, in the business of investing in,
5 owning, renting, managing, or holding
6 single-family homes; and

7 (II) alone or in concert with 1 or
8 more other entities, beginning after
9 the date of enactment of this Act, di-
10 rectly or indirectly has investment
11 control of not less than 350 single-
12 family homes in the aggregate, not in-
13 cluding any single-family home pur-
14 chased in an excepted purchase made
15 after the date of enactment of this
16 Act; and

17 (ii) does not include any local, State,
18 Tribal, or Federal government entity or in-
19 strumentality thereof.

20 (B) RULE OF CONSTRUCTION.—For pur-
21 poses of this paragraph, an entity has direct or
22 indirect investment control over a single-family
23 home if the entity—

24 (i) owns, or has primary authority or
25 fiduciary responsibility to make material

1 investment or management decisions relat-
2 ing to, the single-family home;

3 (ii) is, or directly or indirectly con-
4 trols, the general partner or managing
5 member of the entity that owns the single-
6 family home;

7 (iii) is or controls the investment
8 manager, management company, or invest-
9 ment advisor of the entity that owns the
10 single-family home;

11 (iv) owns or controls more than 25
12 percent of any class of equity interests of
13 the entity that owns the single-family
14 home, unless such entity is a passive inves-
15 tor; or

16 (v) otherwise controls the entity that
17 owns the single-family home.

18 (4) PURCHASE.—The term “purchase” includes
19 any purchase, transfer, or other acquisition of a sin-
20 gle family home, including through mergers, acquisi-
21 tions, construction, foreclosures, or bulk purchases,
22 whether or not for cash consideration.

23 (5) SINGLE-FAMILY HOME.—The term “single-
24 family home”—

1 (A) means a structure that contains 2 or
2 fewer dwelling units that are each intended for
3 residential occupancy by a single household;
4 and

5 (B) does not include a manufactured
6 home, as defined in section 603 of the National
7 Manufactured Housing Construction and Safety
8 Standards Act of 1974 (42 U.S.C. 5402).

9 (b) PROHIBITION ON PURCHASES BY LARGE INSTI-
10 TUTIONAL INVESTORS.—

11 (1) IN GENERAL.—No large institutional inves-
12 tor may purchase, or enter into a contract to directly
13 or indirectly purchase, any single-family home.

14 (2) EXCEPTIONS.—The prohibition under para-
15 graph (1) shall not apply to—

16 (A) any excepted purchase; or

17 (B) any purchase of a single-family home
18 in connection with a restructuring or other re-
19 organization of ownership of single-family
20 homes that were owned or purchased on or be-
21 fore the date of enactment of this Act.

22 (3) RULE OF CONSTRUCTION.—Nothing in this
23 section may be construed to—

24 (A) require any large institutional investor
25 to divest or otherwise sell any single-family

1 home purchased before the date of enactment of
2 this Act; or

3 (B) prevent the filing of a petition, or oth-
4 erwise affect any bankruptcy proceeding, under
5 title 11, United States Code.

6 (4) IMPLEMENTATION.—

7 (A) IN GENERAL.—In consultation with
8 the Secretary of Housing and Urban Develop-
9 ment, the Director of Federal Housing Finance
10 Agency, and the Chair of the Securities and Ex-
11 change Commission, the Secretary of the Treas-
12 ury may issue regulations in accordance with
13 the notice and comment rulemaking procedures
14 under section 553 of title 5, United States
15 Code, to carry out the purposes of this section,
16 including regulations to—

17 (i) minimize market disruptions upon
18 identifying a risk of material negative im-
19 pact on the housing market, including an
20 impact on the ability of market partici-
21 pants to dispose of single-family homes in
22 an orderly fashion; and

23 (ii) mitigate, to the extent possible,
24 negative impacts on consumers and com-
25 munities.

1 (B) RULE OF CONSTRUCTION.—For the
2 avoidance of doubt, no regulation issued under
3 subparagraph (A) may amend the definitions of
4 the terms defined under subsection (a), includ-
5 ing to—

6 (i) alter the scope of excepted pur-
7 chases in a manner that would undermine
8 the goal of expanding the number of sin-
9 gle-family homes available to individual
10 households for purchase;

11 (ii) alter any type of excepted pur-
12 chase in a manner that would undermine
13 the goal of expanding the number of sin-
14 gle-family homes available to individual
15 households for purchase;

16 (iii) add any category of large institu-
17 tional investor as an eligible class if not de-
18 termined by this section; or

19 (iv) alter the quantitative threshold in
20 the definition of “large institutional inves-
21 tor”.

22 (c) RENTER OUTREACH RESOURCE ESTABLISHED.—

23 (1) IN GENERAL.—The Secretary of Housing
24 and Urban Development (in this subsection referred
25 to as the “Secretary”) shall, not later than 180 days

1 after the date of enactment of this Act, establish a
2 renter outreach resource that consists of a toll-free
3 telephone number and a public website designed to
4 assist renters of residential properties owned by a
5 large institutional investor in—

6 (A) notifying Federal agencies about dis-
7 putes relating to the rental of such properties,
8 including disputes about potential violations of
9 Federal law;

10 (B) sharing information about such dis-
11 putes with other Federal agencies, including
12 other Federal agencies that manage similar dis-
13 putes;

14 (C) monitoring such disputes; and

15 (D) resolving such disputes, to the extent
16 practicable.

17 (2) RESPONSE TO OUTREACH.—

18 (A) IN GENERAL.—The Secretary shall es-
19 tablish reasonable procedures to—

20 (i) promptly respond, in writing where
21 appropriate, to a renter who provides in-
22 formation to the Secretary about a dispute
23 using the renter outreach resource estab-
24 lished under paragraph (1); and

25 (ii) document such responses.

1 (B) CONTENTS.—Responses provided
2 under subparagraph (A) shall include, where
3 appropriate, information about—

4 (i) steps that have been taken by the
5 Secretary or another Federal agency in re-
6 sponse to the information about the dis-
7 pute provided by the renter, including de-
8 termining the appropriate large institu-
9 tional investor involved as described in
10 paragraph (3);

11 (ii) any responses received by the Sec-
12 retary or another Federal agency from the
13 large institutional investor related to such
14 dispute; and

15 (iii) any outcome of the dispute, to
16 the extent practicable.

17 (3) INVESTIGATION OF POTENTIAL VIOLATIONS
18 OF FEDERAL LAW.—

19 (A) IN GENERAL.—The Secretary shall
20 promptly process and investigate any informa-
21 tion relating to a dispute received through the
22 renter outreach resource established under
23 paragraph (1) about a potential violation of
24 Federal law that is received from a renter of a
25 residential property owned by a large institu-

1 tional investor through the renter outreach re-
2 source established under paragraph (1), includ-
3 ing—

4 (i) requesting information from a
5 large institutional investor;

6 (ii) determining the appropriate large
7 institutional investor involved in the dis-
8 pute; and

9 (iii) sharing information about such
10 potential violation of Federal law with any
11 relevant Federal agencies, as the Secretary
12 may determine appropriate.

13 (B) RESPONSES TO REQUESTS FOR INFOR-
14 MATION.—Upon request for information made
15 pursuant to subparagraph (A), the Secretary
16 shall provide a large institutional investor the
17 opportunity to respond, including regarding
18 whether such large institutional investor cur-
19 rently owns the property described in such re-
20 quest for information.

21 (4) INFORMATION FOR APPROPRIATE STATE
22 AUTHORITY.—When the Secretary receives informa-
23 tion about a potential violation of State law or about
24 a dispute received through the renter outreach re-
25 source, from a renter of a residential property owned

1 by a large institutional investor through the renter
2 outreach resource established under paragraph (1),
3 the Secretary shall, at a minimum, provide the
4 renter with contact information for the appropriate,
5 State-specific, State authority authorized to process
6 and investigate such information.

7 (5) NOTICE ABOUT RENTER OUTREACH RE-
8 SOURCE.—Each large institutional investor shall—

9 (A) provide to each renter of a residential
10 property owned by such investor at the time
11 such renter first occupies such home and annu-
12 ally thereafter—

13 (i) written notice about the renter
14 outreach resource established under para-
15 graph (1); and

16 (ii) the name, phone number, and
17 email address of the person or entity re-
18 sponsible for receiving and addressing
19 renter disputes for the large institutional
20 investor, and update the name, phone
21 number, and email address within 30 days
22 if such information changes prior to the
23 subsequent time at which such notice is re-
24 quired to be provided; and

1 (B) prominently feature information about
2 the renter outreach resource established under
3 paragraph (1) on a public website of such inves-
4 tor that is accessible by such renter.

5 (6) ANNUAL REPORT TO THE CONGRESS.—

6 (A) IN GENERAL.—The Secretary shall,
7 not later than March 31 of each year, submit
8 to the Congress a public report which analyzes
9 and aggregates the information received or ob-
10 tained pursuant to this subsection during the
11 prior year that includes—

12 (i) information about the types and
13 the number of disputes received about po-
14 tential violations of Federal law;

15 (ii) information about the types and
16 the number of disputes received about po-
17 tential violations of State law;

18 (iii) where practicable, information
19 about the resolution of such disputes; and

20 (iv) information provided to the Sec-
21 retary of Housing and Urban Development
22 under paragraph (8).

23 (B) ANONYMIZATION OF DATA.—Any data
24 included in a report that is submitted under
25 this paragraph shall be aggregated or

1 anonymized so as to protect any individual dis-
2 pute or personally identifiable information re-
3 ceived through the renter outreach resource.

4 (7) PROTECTION OF PERSONAL INFORMA-
5 TION.—In complying with the requirements of this
6 subsection, the Secretary shall take such measures
7 as the Secretary determines are necessary to provide
8 for the protection of personally identifiable informa-
9 tion received through the renter outreach resource in
10 a manner that conforms with existing standards for
11 protection of the confidentiality of personally identi-
12 fiable information.

13 (8) ANNUAL NOTIFICATION.—Not later than
14 180 days after the date of the enactment of this Act,
15 and not later than December 31st of each year
16 thereafter, each person or entity that satisfies the
17 definition of a large institutional investor, as such
18 term is defined in subsection (a), shall—

19 (A) notify the Secretary each year whether
20 such owner is a large institutional investor as
21 defined in subsection (a); and

22 (B) in such notification, identify how many
23 single-family homes such large institutional in-
24 vestor has direct or indirect investment control
25 of as of the date of the submission of such no-

1 tice, and the city and State where each such
2 single-family home is located, unless such large
3 institutional investor owns 10 or fewer single-
4 family homes in such city.

5 (d) ENFORCEMENT.—

6 (1) CIVIL PENALTIES.—The Secretary of the
7 Treasury, or the Attorney General at the request of
8 the Secretary of the Treasury, may bring an action
9 against a large institutional investor that violates
10 subsection (b) for a civil penalty in an amount that
11 is not more than \$1,000,000 per violation, or 3
12 times the purchase price of the property involved,
13 whichever is greater.

14 (2) TRANSFER TO HUD FOR HOMEOWNERSHIP
15 EXPANSION ACTIVITIES.—For fiscal year 2027 and
16 each fiscal year thereafter, to the extent and in the
17 amounts provided in advance in appropriations Acts,
18 civil penalties assessed under this section shall be
19 transferred to and available to the Secretary of
20 Housing and Urban Development to provide addi-
21 tional funding for the HOME Investment Partner-
22 ships program under subtitle A of title II of the
23 Cranston-Gonzalez National Affordable Housing Act
24 (42 U.S.C. 12741 et seq.), to be allocated in accord-
25 ance with the formula under that program, for new

1 construction, acquisition, and rehabilitation of sin-
2 gle-family homes and to provide assistance grants to
3 first-time homebuyers, which may be for
4 downpayments, closing costs, and interest rate
5 buydowns.

6 (e) STUDIES ON LARGE INSTITUTIONAL INVES-
7 TORS.—

8 (1) GAO REPORT.—Not later than 2 years after
9 the date on which the prohibition under subsection
10 (b)(1) takes effect, and again not later than 10
11 years after that date, the Comptroller General of the
12 United States shall submit to the Committee on
13 Banking, Housing and Urban Affairs of the Senate
14 and the Committee on Financial Services of the
15 House of Representatives a report on—

16 (A) the impact of the ownership by large
17 institutional investors of single-family homes on
18 housing availability and affordability for renters
19 and homebuyers; and

20 (B) the effectiveness of this section in re-
21 ducing demand by large institutional investors
22 for single-family homes and expanding home-
23 ownership for renters and homebuyers.

24 (2) HUD REPORT.—Not later than 2 years after
25 the date on which the prohibition under subsection

1 (b)(1) takes effect, and again not later than 10
2 years after that date, the Secretary of the Housing
3 and Urban Development, in consultation with the
4 Secretary of the Treasury, the Administrator of the
5 Rural Housing Service, the Executive Director of
6 the Loan Guaranty Service of the Department of
7 Veterans Affairs, the Chair of Securities and Ex-
8 change Commission, and the Director of the Federal
9 Housing Finance Agency, shall submit to the Com-
10 mittee on Banking, Housing and Urban Affairs of
11 the Senate and the Committee on Financial Services
12 of the House of Representatives a report on—

13 (A) whether there should be adjustments
14 to the definition of the term “large institutional
15 investor”;

16 (B) the financial impact of this section on
17 large institutional investors, renters, and home-
18 buyers; and

19 (C) any legislative recommendations re-
20 garding ways to improve the authorities pro-
21 vided under this section to increase the supply
22 and affordability of single-family homes for pur-
23 chase by individual homebuyers.

24 (3) SENSE OF CONGRESS.—It is the sense of
25 Congress that—

1 (A) this section is intended to expand the
2 number of single-family homes available to indi-
3 viduals for purchase and is aimed at preserving
4 and expanding the supply of single-family
5 homes available to individuals; and

6 (B) any further study on the effectiveness
7 of this section and any legislative recommenda-
8 tions therefrom should consider this sense of
9 Congress.

10 (f) EFFECTIVE DATE.—The requirements and prohi-
11 bitions under subsections (b) and (d) of this section—

12 (1) shall take effect on the date that is 180
13 days after the date of enactment of this Act; and

14 (2) are repealed on the date that is 15 years
15 after the effective date under paragraph (1).

16 **TITLE XI—CENTRAL BANK**
17 **DIGITAL CURRENCY**

18 **SEC. 1101. CENTRAL BANK DIGITAL CURRENCY.**

19 The Federal Reserve Act (12 U.S.C. 221 et seq.) is
20 amended by inserting after section 16 (12 U.S.C. 411 et
21 seq.) the following:

22 **“SEC. 16A. CENTRAL BANK DIGITAL CURRENCY.**

23 **“(a) DEFINITIONS.—In this section:**

1 “(1) CENTRAL BANK DIGITAL CURRENCY.—The
2 term ‘central bank digital currency’ means a digital
3 asset that—

4 “(A) is denominated in United States dol-
5 lars;

6 “(B) is a United States currency;

7 “(C) is a direct liability of the Federal Re-
8 serve System; and

9 “(D) is widely available to the general pub-
10 lic.

11 “(2) DIGITAL ASSET.—The term ‘digital asset’
12 has the meaning given the term in section 2 of the
13 GENIUS Act (12 U.S.C. 5901).

14 “(b) PROHIBITION.—Except as provided in sub-
15 section (c), the Board of Governors of the Federal Reserve
16 System or a Federal reserve bank may not issue or create
17 a central bank digital currency or any digital asset that
18 is substantially similar to a central bank digital currency
19 directly or indirectly through a financial institution or
20 other intermediary.

21 “(c) EXCEPTION.—Subsection (b) shall not prohibit
22 any dollar-denominated currency that is open,
23 permissionless, and private, and fully preserves the privacy
24 protections of United States coins and physical currency.

1 “(d) SUNSET.—This provisions of this section shall
2 cease to be effective on December 31, 2030.

3 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
4 tion shall be construed to allow the Board of Governors
5 of the Federal Reserve System to issue a central bank dig-
6 ital currency or any digital asset that is substantially simi-
7 lar to a central bank digital currency directly or indirectly
8 absent authorization by an Act of Congress.”.

9 **TITLE XII—MISCELLANEOUS**

10 **SEC. 1201. SEVERABILITY.**

11 If any provision of this Act, or the application thereof
12 to any person or circumstance, is held invalid, the remain-
13 der of the Act, and the application of such provisions to
14 other persons or circumstances, shall not be affected
15 thereby.

16 **SEC. 1202. NO ADDITIONAL FUNDS AUTHORIZED.**

17 No additional funds are authorized to be appro-
18 priated to carry out the requirements of this Act or any
19 amendment made by this Act.