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Housing Issues in the 119th Congress

November 24, 2025

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SUMMARY

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Housing Issues in the 119th Congress

The 119th Congress has been considering a number of housing-related issues and potential federal policy responses through legislative action, committee hearings, and other oversight activities. Some issues are broad and multifaceted, such as housing affordability concerns, while others are more narrowly related to specific federal programs or policies. This report describes selected housing issues that have been active during the 119th Congress and related federal activities.

Housing Affordability

A primary area of congressional interest has been the affordability of housing for both renters and homeowners. While housing affordability is a perennial policy issue, particularly for low-income households, it has become a growing concern in recent years in light of notable increases in house prices and rents, rising mortgage interest rates, increasing property insurance costs, and housing supply constraints in many housing markets. Although housing markets are local in nature, and housing market conditions vary across the country, concerns about housing affordability have been widespread.

The 119th Congress has held several hearings to examine factors contributing to housing supply and affordability challenges and to consider potential solutions. In addition, Members of Congress have introduced a number of bills intended to address housing affordability and/or supply concerns in different ways. The FY2025 budget reconciliation legislation (P.L. 119-21) enacted in July 2025 included an expansion of the low-income housing tax credit, the largest federal program supporting the development of affordable rental housing, as well as certain changes to that program. In addition, in July 2025 the Senate Banking, Housing, and Urban Affairs Committee unanimously advanced the ROAD to Housing Act of 2025 (S. 2651), which addresses a variety of housing policy topics. Most of the sections in this bill are similar to previously introduced stand-alone bills. A version of the ROAD to Housing Act passed the Senate as part of the National Defense Authorization Act for Fiscal Year 2026 (S. 2296) in October 2025.

Congress has also expressed interest in certain issues that may contribute to, or result from, housing affordability concerns. For example, Congress has been considering potential policy responses to rising property insurance costs that can affect the affordability of rental or owner-occupied housing. Addressing homelessness is another issue of ongoing interest to Congress, and provisions related to certain U.S. Department of Housing and Urban Development (HUD) homelessness programs are included in the ROAD to Housing Act.

Other Housing-Related Provisions in FY2025 Budget Reconciliation Legislation

As noted, the FY2025 budget reconciliation legislation included an expansion of, and changes to, the low-income housing tax credit. It also included certain other provisions related to housing. It extended and revised provisions related to the mortgage interest deduction and deductions of state and local property taxes that were enacted as part of FY2018 budget reconciliation legislation commonly referred to as the Tax Cuts and Jobs Act (P.L. 115-97). It eliminated several tax credits related to home energy efficiency or residential clean energy and rescinded unobligated funding from certain programs that could be used for green housing activities. It also included changes to funding for the Consumer Financial Protection Bureau (CFPB), which provides oversight of many financial market actors, including mortgage originators and servicers.

Housing Assistance Programs

A number of housing issues of interest to Congress involve federal housing assistance programs, including appropriations and proposed programmatic changes. For example, the House Financial Services Committee's Housing and Insurance Subcommittee has taken actions related to potential changes to the HOME Investment Partnerships Program and a HUD block grant. The ROAD to Housing Act also includes changes to HOME.

Housing Finance

The 119th Congress enacted the VA Home Loan Reform Act (P.L. 119-31), which establishes a new loss mitigation option for veterans with home loans guaranteed by the Department of Veterans Affairs (VA). It establishes a partial claim option, which is a way of resolving a mortgage delinquency that allows missed payments to be moved to the end of the loan under certain circumstances. Another issue of interest to the 119th Congress is the future of Fannie Mae and Freddie Mac, two government-sponsored enterprises that back over half of residential mortgages and have been in conservatorship since 2008. The Trump Administration has expressed interest in returning these companies to the private sector, though details are unclear.

Housing and Disaster Recovery

Issues related to housing and disaster recovery have been of interest to Congress, including potential changes to the Federal Emergency Management Agency (FEMA), which administers certain types of housing assistance for disaster survivors; reauthorization of the National Flood Insurance Program (NFIP); and potential changes to the Community Development Block Grant-Disaster Recovery (CDBG-DR) program through which Congress has provided funding for long-term recovery after some disasters.

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Introduction

Housing in the United States is primarily a private market enterprise, regulated at the state and local levels. Nevertheless, federal policymakers play important roles in housing policy. These roles include regulating and supporting the housing finance system, providing affordable housing resources to state and local governments or other public or private entities, encouraging certain housing activities via federal tax policy, and enforcing fair housing laws, among other functions.

Congress establishes laws governing U.S. housing policy and housing finance, funds housing policies and programs via the annual appropriations process and the federal tax code, and oversees policy and program implementation by various federal agencies. The House Financial Services Committee and the Senate Banking, Housing, and Urban Affairs Committee, in particular, play prominent roles in many of these functions as committees of jurisdiction over most federal housing policy and programs. Federal agencies involved in housing policy and programs include the U.S. Department of Housing and Urban Development (HUD), the Federal Housing Finance Agency (FHFA), the U.S. Department of the Treasury (Treasury), the U.S. Department of Agriculture (USDA), and others.

The 119th Congress has been considering a number of housing-related issues and federal policy concerns through legislation, hearings, or other activities, including the following:

- Several housing-related tax provisions were included in FY2025 budget reconciliation legislation (P.L. 119-21) that was signed into law by President Trump on July 4, 2025. These provisions include an expansion of the low-income housing tax credit and certain changes to that program, extensions and revisions of provisions related to the mortgage interest deduction and deductions of state and local property taxes that were enacted as part of FY2018 budget reconciliation legislation, sometimes referred to as the Tax Cuts and Jobs Act (TCJA, P.L. 115-97), and the elimination of several tax credits related to home energy efficiency or residential clean energy.
- Congress has expressed ongoing concern about housing affordability broadly and for lower-income households in particular. The 119th Congress has held hearings to examine factors contributing to housing supply and affordability challenges and to consider potential solutions (see **Appendix B** for a list of housing-related hearings), and a number of bills related to housing affordability have been introduced. These include the ROAD to Housing Act of 2025 (S. 2651), legislation advanced out of the Senate Banking Committee in July 2025. A version of this bill was passed by the Senate as Division I of the National Defense Authorization Act for Fiscal Year 2026 (S. 2296) in October 2025.
- Additional issues of interest to the 119th Congress have included the rising costs of homeowners' and rental property insurance, the potential implications of various administrative actions on federal housing programs, and loss mitigation options available for veterans with mortgages backed by the U.S. Department of Veterans Affairs (VA).

This report begins with a brief overview of national housing market conditions to provide context for the housing policy issues discussed throughout this report. It then provides a high-level overview of selected housing issues that are active in the 119th Congress and, where applicable, refers to more in-depth CRS reports on the issues discussed. It will be updated periodically throughout the 119th Congress.

Housing Market Conditions

This section provides background on national housing market conditions, focusing on selected indicators related to housing costs (such as prices and mortgage interest rates) and housing supply (such as measures of housing inventory and construction). In most cases, the data presented reflect conditions at the beginning of 2025, the first year of the 119th Congress.

National housing market indicators provide an overall sense of general trends in housing in the United States. However, local housing market conditions vary significantly, and national housing market trends may not reflect conditions in a specific area.

Housing Costs

House prices and rents both increased steadily for about a decade prior to 2020 before rising more sharply for a few years during the COVID-19 pandemic.[1] While house price and rent increases have moderated more recently or, in some cases, reversed, house prices and rents both remain notably higher than they were prior to the pandemic. Mortgage interest rates also began to rise in 2022, adding to homebuyer affordability concerns. Increases in other costs of homeownership, such as homeowners insurance, have also contributed to affordability pressures for both new homebuyers and existing homeowners.[2]

While housing affordability for the lowest-income households is a perennial policy issue, these increases in housing costs in the years since the COVID-19 pandemic began have raised broader affordability concerns for both homebuyers and renters at a wider range of income levels.

House Prices

Homes for sale can be existing homes or newly built homes. New home prices are typically higher than existing home prices, reflecting factors such as building costs, amenities, home size, and location. The difference between new and existing home prices has narrowed of late, though trends vary by location.[3]

Most home sales are existing homes rather than new homes.[4] As shown in **Figure 1**, in 2024 the median home price for an *existing* home was $407,500, an increase of 2% from 2023 on an inflation-adjusted basis and an increase of 22% over the 2019 inflation-adjusted median existing home price of $333,634. The median home price for a *new* home fell in 2024: at $420,100, it was down 5% from the 2023 inflation-adjusted median new home price, though up 6% since 2019.[5]

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[1] These sharp price increases were attributable to a number of factors, including low interest rates, the effect of the pandemic on housing demand patterns, and supply chain disruptions that affected housing construction. See, for example, John V. Duca and Anthony Murphy, *Why house prices surged as the COVID-19 pandemic took hold*, Federal Reserve Bank of Dallas, December 28, 2021, https://www.dallasfed.org/research/economics/2021/1228.

[2] Steve Koller, "The Insurance Crisis Continues to Weigh on Homeowners," Joint Center for Housing Studies of Harvard University, Housing Perspectives blog, December 9, 2024, https://www.jchs.harvard.edu/blog/insurance-crisis-continues-weigh-homeowners.

[3] See, for example, Joel Berner, "New-Construction Insights: New Builds Offer Affordability Edge," August 7, 2025, https://www.realtor.com/research/new-construction-insights-2025q2.

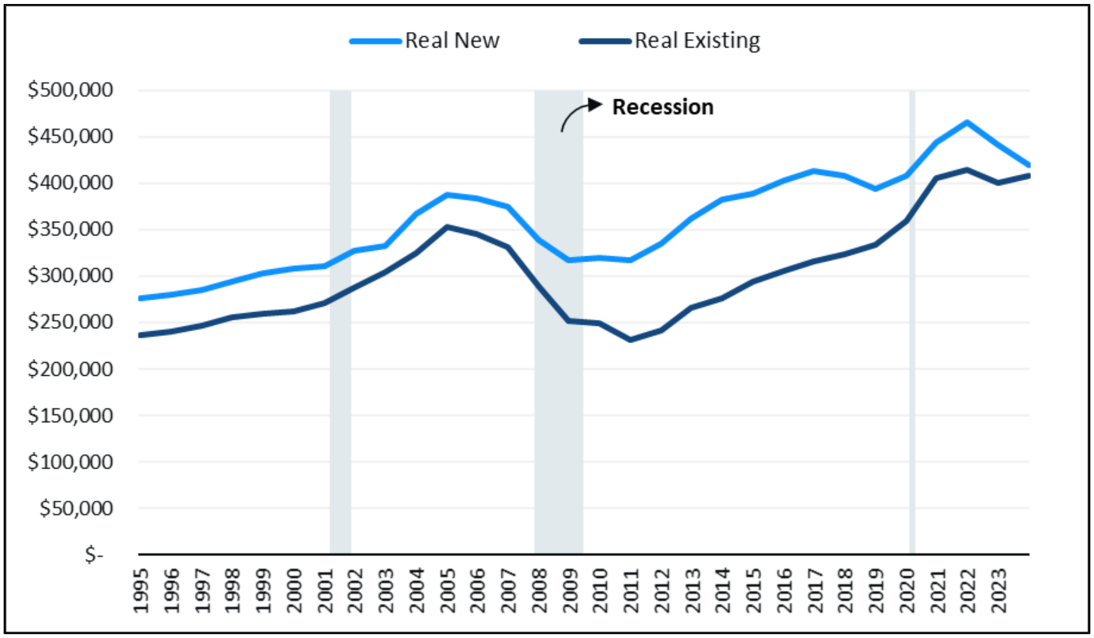
[4] In 2024, for example, 4.1 million existing homes were sold compared to 683,000 new homes. See HUD's *U.S. Housing Market Conditions* report, "Demand Data – Home Sales," https://www.huduser.gov/portal/ushmc/hd_home_sales.html.

[5] New and existing home price data are from the U.S. Census Bureau and the National Association of Realtors, as reported by HUD's Office of Policy Development and Research in its *U.S. Housing Market Conditions* reports at https://www.huduser.gov/portal/ushmc/quarterly_commentary.html.

On a nominal basis, prices have experienced larger increases: existing median home prices have increased from $271,900 in 2019 to $407,500 in 2024 (an increase of nearly 50%), and new median home prices have increased from $321,500 in 2019 to $420,100 in 2024 (an increase of over 30%).

Figure 1. Inflation-Adjusted (Real) Median Sales Prices for New and Existing Single-Family Homes

1995-2024



Source: CRS calculations based on data from HUD's *U.S. Housing Market Conditions* reports, available at https://www.huduser.gov/portal/ushmc/home.html (which use data from the National Association of Realtors for existing home prices and the U.S. Census Bureau for new home prices), and data from the Bureau of Labor Statistics for the consumer price index. Amounts are in 2024 dollars.

Notes: Gray bars indicate recessions. Amounts are adjusted for inflation using the Consumer Price Index for all Urban Consumers (CPI-U) with 2024 as the base year.

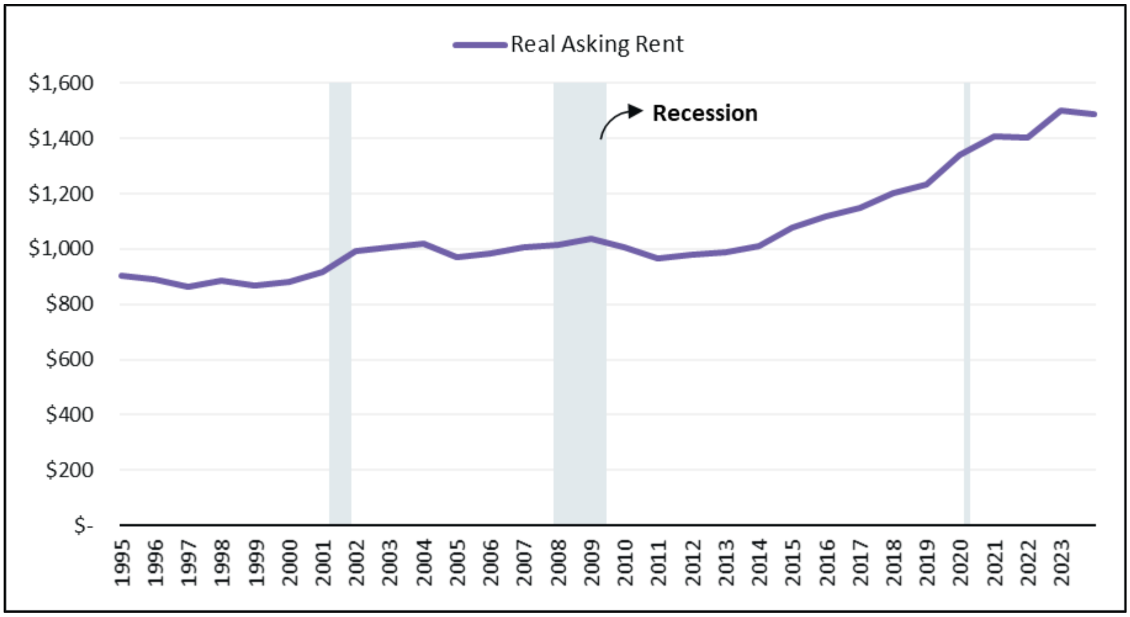
Asking Rents

Inflation-adjusted asking rents have followed a similar trajectory as home prices, including a steady increase in the decade leading up to the COVID-19 pandemic, a steeper increase at the start of the pandemic, and moderation in recent years. Asking rents are an indicator of potential costs for renters seeking to newly lease a rental unit, but they do not include rents paid by current tenants or potential rent increases for currently occupied units. As shown in **Figure 2**, the median asking rent was $1,486 in 2024, down 1% compared to the 2023 inflation-adjusted median asking rent ($1,502) but an increase of over 20% compared to the 2019 inflation-adjusted median asking rent ($1,233).

As with house prices, nominal asking rents have increased faster than inflation-adjusted asking rents, from $1,005 in 2019 to $1,486 in 2024 (an increase of nearly 48%).

Figure 2. Inflation-Adjusted (Real) Median Asking Rent

1995-2024



Source: Created by CRS using data from U.S. Census Bureau, Housing Vacancies and Homeownership Historical Tables, Table 11A, available at https://www.census.gov/housing/hvs/data/histtabs.html, and data from the Bureau of Labor Statistics for the consumer price index.

Notes: Gray bars indicate recessions. Amounts are adjusted for inflation using the Consumer Price Index for all Urban Consumers (CPI-U) with 2024 as the base year.

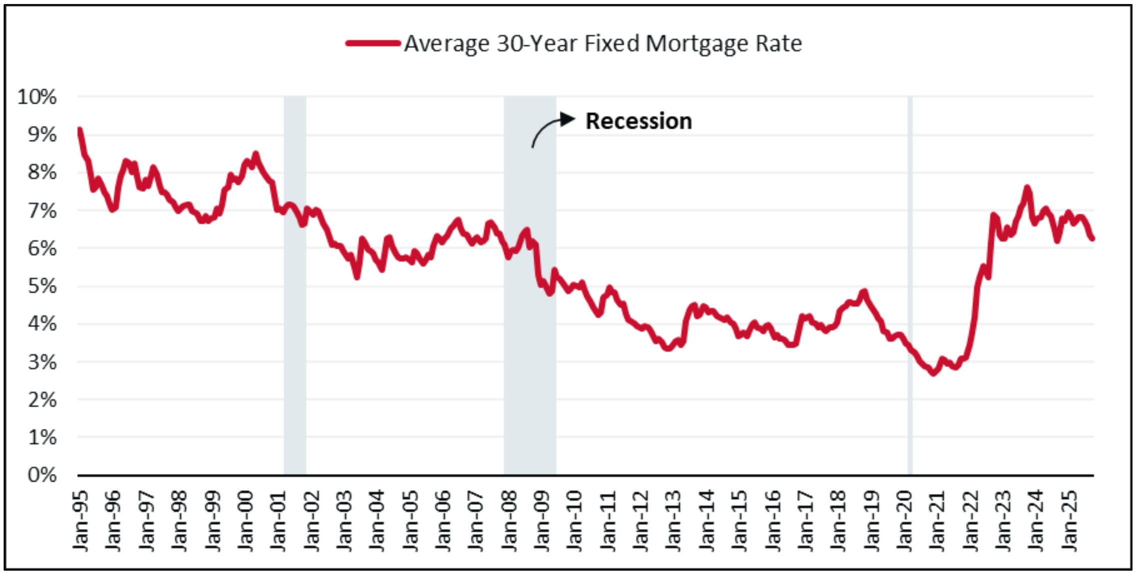
Mortgage Interest Rates

Other costs beyond home prices affect the affordability of buying and owning a home. Most homebuyers use a mortgage to purchase a home,[6] and mortgage interest rates also began to increase in 2022, adding to affordability pressures for prospective homebuyers. During the first 10 months of 2025, monthly average mortgage interest rates for 30-year fixed-rate mortgages ranged between 6.25% (in October 2025) and 6.96% (in January 2025). As shown in **Figure 3**, these were down from a recent high of 7.62% in October 2023, but higher than the 2011-2021 period, when average mortgage interest rates were never above 5%, were sometimes below 4%, and at their lowest level fell below 3%.

[6] According to the National Association of Realtors, roughly three-quarters of homebuyers financed their purchase in 2024, compared to about a quarter who paid cash. For first-time homebuyers, over 90% financed the purchase. See National Association of Realtors, Highlights from *Profile of Home Buyers and Sellers 2024*, page 12 of the PDF, https://www.nar.realtor/sites/default/files/2024-11/2024-profile-of-home-buyers-and-sellers-highlights-11-04-2024_2.pdf.

Figure 3. Mortgage Interest Rates

January 1995-October 2025



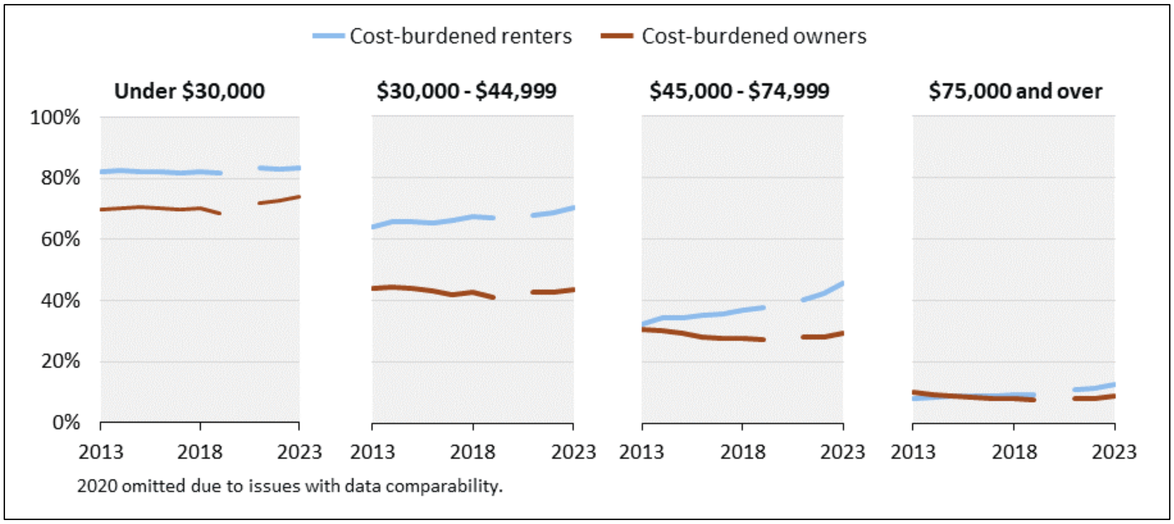
Source: Created by CRS based on data from Freddie Mac's Primary Mortgage Market Survey (PMMS), 30-Year Fixed Rate Historic Tables, available at http://www.freddiemac.com/pmms/.

Notes: Gray bars indicate recessions. Data reflect average interest rates for conventional (i.e., not government-insured) conforming (i.e., meeting Fannie Mae/Freddie Mac standards, including loan limits) home purchase mortgages to borrowers with good credit and a 20% down payment. The actual interest rate paid by any given borrower will depend on a number of factors. In November 2022, Freddie Mac adjusted its methodology for the PMMS by replacing traditional survey methods with administrative datasets. Freddie Mac estimates that these changes would have only had a small impact on historical PMMS results. For more information, see https://www.freddiemac.com/research/insight/20221103-freddie-macs-newly-enhanced-mortgage-rate-survey.

Housing Cost Burdens

Increases in housing costs in recent years have resulted in higher shares of households being considered "cost-burdened," defined as paying more than 30% of their income toward housing costs. As shown in **Figure 4**, renters are more likely to be cost-burdened than homeowners, and the lowest-income renter households (income under $30,000) are the most likely to be cost-burdened.

Figure 4. Cost-Burdened Renters and Owners, by Household Income
2013-2023



Source: Created by CRS using calculations based on the American Community Survey 1-Year Estimates Public Use Microdata Sample for 2013-2023, available at https://www.census.gov/data/developers/data-sets/census-microdata-api.html.

Note: "Cost-burdened" is defined as a household paying more than 30% of its income toward housing costs.

For more information on housing cost burdens, see CRS Report R48450, *Housing Cost Burdens in 2023: In Brief*.

Housing Supply

Many researchers have suggested that the United States has a housing supply shortage in the aggregate, although the magnitude of any shortage varies by location. Different researchers use different methodologies and assumptions to measure housing supply shortages, leading to different overall estimates.[7] While many researchers concur that the United States has an undersupply of housing, some have questioned the extent to which it has a shortage broadly, arguing that shortages are concentrated in specific markets or for particular types of housing (i.e., housing for low-income renters).[8] In areas experiencing a housing shortage, prices would be expected to increase.

Some measures of available housing—namely, the number of homes for sale and rental vacancy rates—decreased in the years following the 2007-2009 financial crisis. While these measures have increased somewhat in recent years, they have not returned to the levels seen in the decade prior to the financial crisis. Measures of new housing construction, such as housing starts and completions, experienced precipitous drops around the financial crisis followed by a gradual increase for about a decade. While starts and completions of new single-family properties mostly remain below their levels from the decade before the financial crisis, construction of new units in

[7] See, for example, David Wessel, *Where do the estimates of a "housing shortage" come from?*, Brookings, October 21, 2024, https://www.brookings.edu/articles/where-do-the-estimates-of-a-housing-shortage-come-from/ and Elena Patel et al., *Make it count: Measuring our housing supply shortage*, Brookings, November 26, 2024, https://www.brookings.edu/articles/make-it-count-measuring-our-housing-supply-shortage/.

[8] See, for example, Kirk McClure and Alex Schwartz, "Where Is the Housing Shortage?," *Housing Policy Debate*, vol. 35, no. 1 (2025), pp. 49-63.

multi-unit properties (those with five or more housing units) have largely returned to or exceeded their levels from that time period.

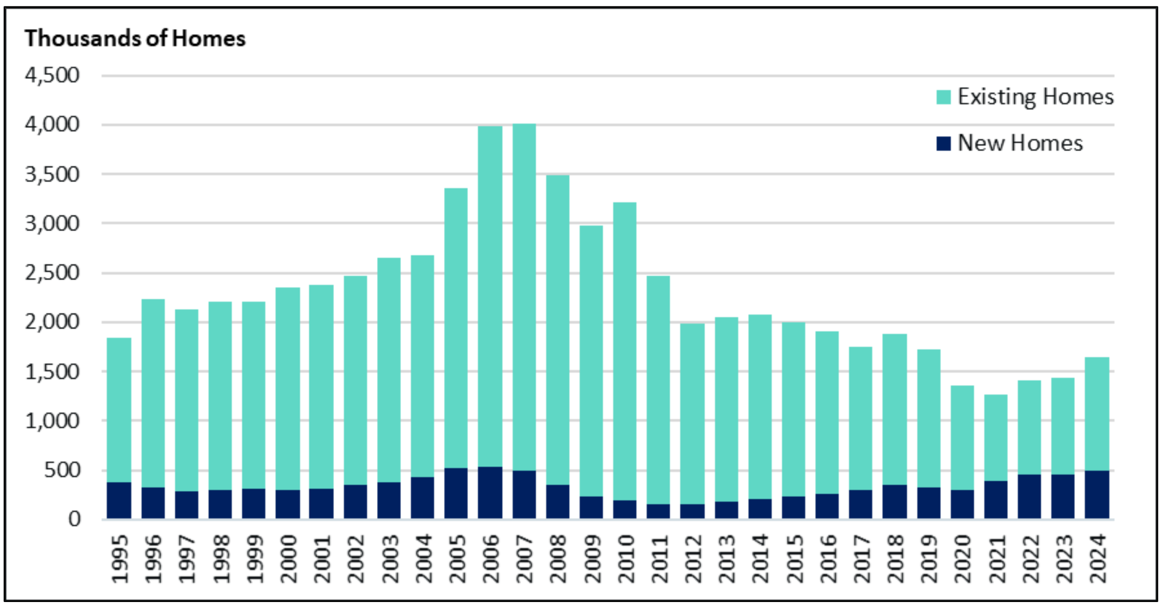
While indicative of general trends, national housing shortage estimates or national indicators such as those shown below do not reflect the distinct conditions in different geographic areas or for different types of housing (e.g., housing at different price points, or in some cases rental versus homeownership).

Number of Homes for Sale

The number of homes available for purchase has generally decreased in the years since the 2007-2009 financial crisis and reached its lowest levels during the COVID-19 pandemic. While the number has increased somewhat since then, it remains lower than the late 1990s and early 2000s. As shown in **Figure 5**, the number of homes for sale in 2024 was 1.6 million, the highest level since 2019 but lower than in every year from 1995 through 2019. While the number of homes available for sale is currently lower than the number available in the mid-to-late 1990s, the total population in the United States has increased since that time, from nearly 262 million people at the start of 1995[9] to an estimated 341 million at the end of 2024,[10] resulting in fewer homes available for sale on a per-person basis.

Figure 5. Number of Homes for Sale, New and Existing

1995-2024



Source: Created by CRS using data from HUD's *U.S. Housing Market Conditions* reports, available at https://www.huduser.gov/portal/ushmc/home.html, which uses data from the National Association of Realtors for existing home inventories and from the U.S. Census Bureau for new home inventories.

Notes: Data show the number of homes on the market for sale at a given point in time—in this case, the end of the calendar year.

[9] U.S. Department of Commerce, Economics and Statistics Administration, Bureau of the Census, *Population Profile of the United States, 1995,* issued July 1995, https://www2.census.gov/library/publications/1995/demographics/p23-189.pdf.

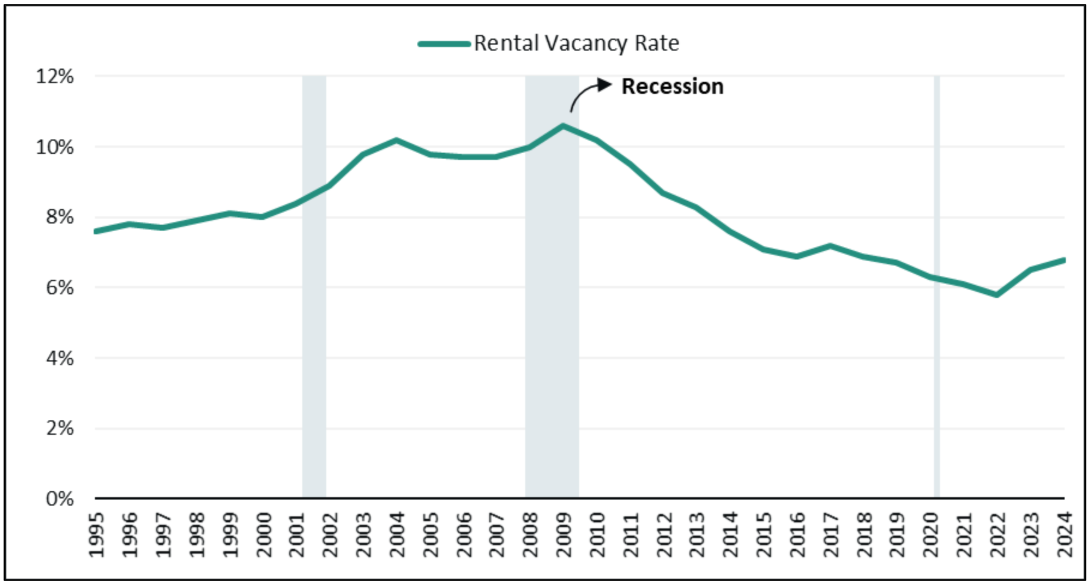
[10] U.S. Census Bureau, *U.S. and World Population Clock*, https://www.census.gov/popclock/.

Rental Vacancy Rates

The rental vacancy rate—the share of rental homes that are vacant for rent—has followed a similar trend as the number of homes for sale. It declined in the years following the financial crisis and, despite recent increases, remains lower than the late 1990s and early 2000s. The rental vacancy rate was 6.8% in 2024, the highest level since 2018 and up from a low of 5.8% in 2022, but lower than any year between 1995 and 2018. The increase in 2024 follows relatively high levels of multifamily construction in recent years,[11] as discussed in the next subsection.

Figure 6. Rental Vacancy Rates

1995-2024



Source: Created by CRS based on data from U.S. Census Bureau, Housing Vacancies and Homeownership Annual Tables, Table 1, "Rental and Homeowner Vacancy Rates by Area," https://www.census.gov/housing/hvs/data/prevann.html.

Notes: Gray bars indicate recessions. Because data collection procedures were affected by the COVID-19 pandemic during some quarters in 2020 and 2021, the Census Bureau urges caution in interpreting estimates from affected timeframes and in comparing those estimates to previous or subsequent estimates.

New Housing Construction

Measures of new housing construction, including housing starts and housing completions, also remain below their levels from the decade before the 2007-2009 financial crisis. As shown in **Figure 7**, following a precipitous drop beginning after 2005, housing starts steadily increased from about 2010 until 2021 before declining somewhat in subsequent years. In 2024,

- just over 1 million one-unit homes were started (an increase from 948,000 in 2023),
- about 18,000 units in two-to-four-unit buildings were started (an increase from about 13,000 units in 2023), and

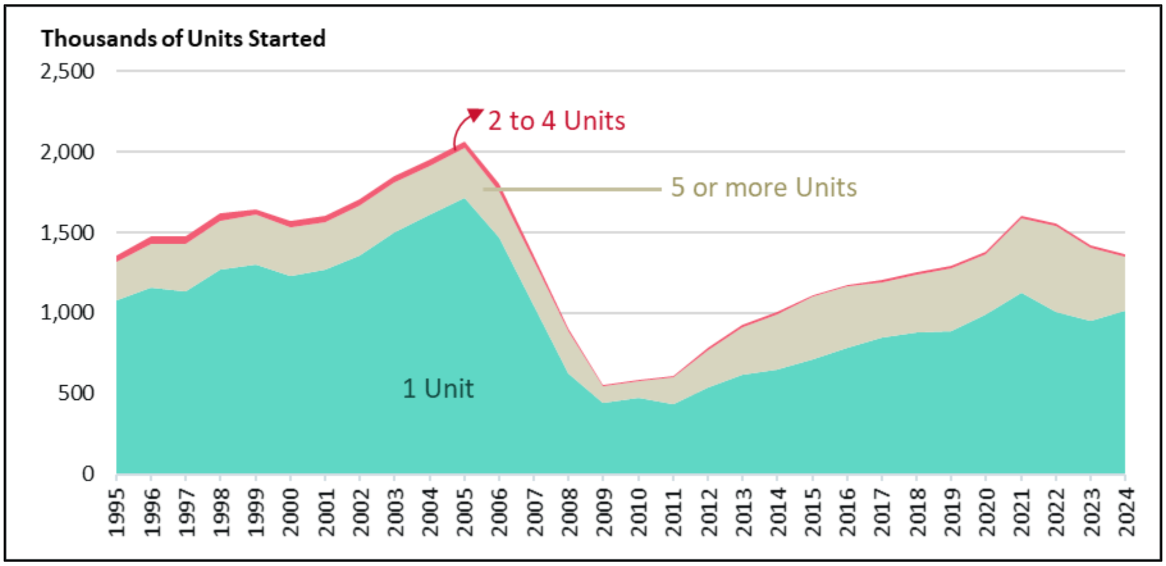
[11] Joint Center for Housing Studies of Harvard University, *State of the Nation's Housing 2025*, p. 15, https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2025.pdf.

- about 336,000 units in buildings with five or more units were started (a decrease from 459,000 units in 2023).

Although starts of units in buildings with five or more units decreased between 2023 and 2024, these starts have exceeded the levels seen before 2007 for several years, while starts of one-unit homes and units in homes with two-to-four units have not returned to their pre-2007 levels.

Figure 7. Total Number of Housing Units Started

1995-2024



Source: Created by CRS using data from U.S. Census Bureau, New Residential Construction, Historical Data, available at https://www.census.gov/construction/nrc/data/series.html.

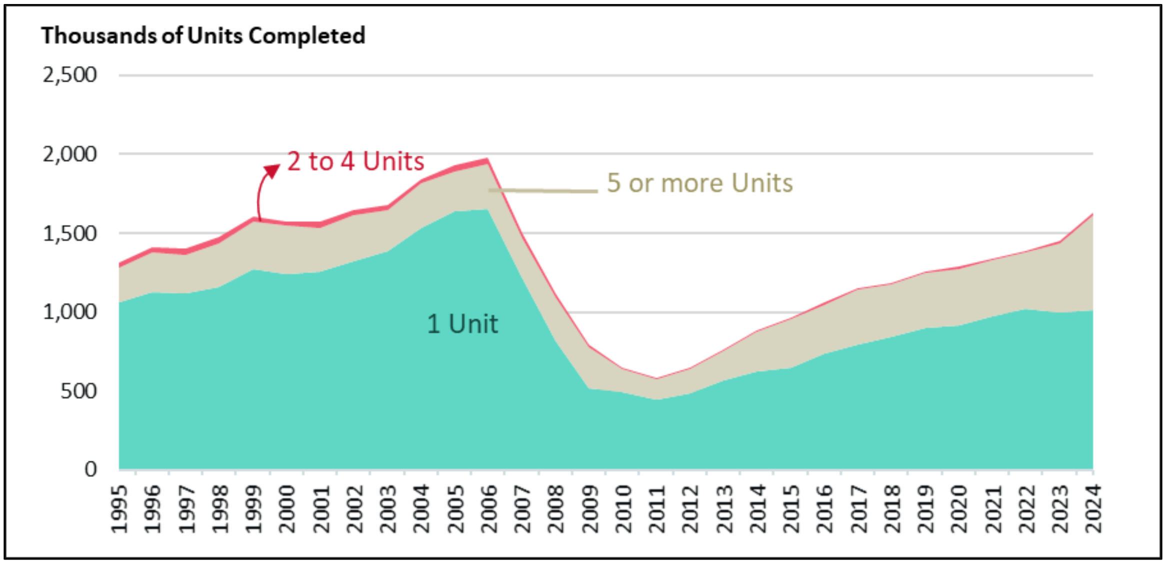
Housing completions—which lag starts—follow a similar trend, as shown in **Figure 8**. The number of new housing completions fell sharply after 2006 and has increased consistently since 2011. Unlike housing starts, which have decreased somewhat in recent years, the number of housing completions has continued to increase to date. Completions increased at a faster pace between 2023 and 2024, largely driven by an increase in completions of units in buildings with five or more units. In 2024,

- just over 1 million one-unit homes were completed (a small increase from just below 1 million in 2023),
- nearly 17,000 units in two-to-four-unit buildings were completed (an increase from nearly 12,000 units in 2023), and
- about 593,000 units in buildings with five or more units were completed (an increase from 438,000 units in 2023).

Much like housing starts, the number of units completed in buildings with five or more units has been above the levels seen before the 2007-2009 financial crisis, while completions of one-unit properties and units in two-to-four unit properties have not regained the levels seen in the decade prior to the financial crisis.

Figure 8. Total Number of Housing Units Completed

1995-2024



Source: Created by CRS using data from U.S. Census Bureau, New Residential Construction, Historical Data, https://www.census.gov/construction/nrc/data/series.html.

Selected Housing Issues and Federal Policy Implications

The remainder of this report provides a high-level overview of housing policy issues that have been active during the 119th Congress. It describes selected housing issues that have received significant attention from Congress and prominent congressional or other federal actions involving housing, but it does not address every housing issue or federal action related to housing in the 119th Congress.

Housing issues of interest to Congress are wide-ranging, and include broad policy issues (such as housing affordability concerns) and more targeted policy questions (such as proposed changes to specific housing programs). Congress's approach to considering different housing policy issues also varies, and can include bills introduced to address one or more facets of an issue, hearings to better understand an issue and potential federal policy options, or other oversight activities. The ensuing discussions of these issues reflect these differences in the nature of housing policy issues and federal actions.

Housing Affordability

As described in the "Housing Market Conditions" section, housing market trends over the past several years have led to increasing concerns about the affordability of both rental housing and homeownership and the extent to which insufficient housing supply may be contributing to affordability pressures. Affordability concerns are often focused on the lowest-income renter households, whom the private market has the most difficulty serving because the rents these households can afford to pay are generally not sufficient to cover costs related to developing, maintaining, and operating rental housing that meets standards set by local governments.[12] However, there has been growing concern about housing affordability at a wider range of income levels and in a broader range of geographic areas beyond traditional higher-cost markets. This has included concerns about *workforce* housing, which, depending on the context, can refer to housing for middle-income households or for people in specific occupations, such as teachers or law enforcement workers. While there have been some recent signs of prices softening and inventory increasing, affordability concerns persist as housing costs remain high.

During the 119th Congress, both Congress and the Trump Administration have undertaken activities related to housing affordability and housing supply. Some of these actions are focused on low-income households and federal housing assistance programs that are generally targeted to those households, while others are aimed at housing affordability more broadly.

Selected Congressional Actions

Proposals considered in past Congresses related to housing affordability have included efforts both to increase housing supply and to defray housing costs. Such proposals have included increasing funding for federal housing programs; expanding existing rental assistance programs to serve more households; creating new programs to provide down payment assistance to homebuyers or tax credits to renters, homebuyers, or builders; and efforts to encourage local governments to address local barriers to housing development (e.g., zoning and land use regulations, permitting processes), among other things.[13] In many cases, similar bills have been introduced in the 119th Congress.

In July 2025, the Senate Banking Committee released the ROAD to Housing Act (S. 2651),[14] which was advanced out of committee unanimously.[15] A version of this bill was passed by the Senate in October 2025 as Division I of the National Defense Authorization Act for Fiscal Year 2026 (S. 2296).[16] The ROAD to Housing Act (both as originally reported by committee and as included in the Senate-passed NDAA) includes a range of housing provisions, many of which had been included in stand-alone bills that had been previously introduced. Among other things, it would expand the number of public housing authorities that can participate in a limited version of the Moving to Work (MTW) program;[17] amend the definition of a "manufactured home" to remove the requirement that the home be built on a "permanent" chassis; reauthorize and amend the HOME Investment Partnerships program;[18] adopt a number of changes to rural housing

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[12] For example, local governments set requirements related to the habitability, size, and location of housing. These standards can affect the types of housing that get built and the costs of building it.

[13] For examples, see CRS Report R46855, *Housing Issues in the 117th Congress* and CRS Report R47628, *Housing Issues in the 118th Congress*.

[14] Senate Banking Committee, "Scott, Warren Announce Markup of Landmark Bipartisan Housing Legislation from Banking Committee Members," press release, July 24, 2025, https://www.banking.senate.gov/newsroom/majority/scott-warren-announce-markup-of-landmark-bipartisan-housing-legislation-from-banking-committee-members.

[15] Senate Banking Committee, "Scott, Warren Lead Banking Committee in Unanimously Advancing Comprehensive Housing Legislation," July 29, 2025, https://www.banking.senate.gov/newsroom/majority/scott-warren-lead-banking-committee-in-unanimously-advancing-comprehensive-housing-legislation.

[16] The version of the ROAD to Housing Act included in the NDAA is similar, but not identical, to S. 2651.

[17] Moving to Work is a demonstration program originally authorized by Congress in 1996 that allows a limited number of public housing authorities flexibility around certain requirements in the public housing and Housing Choice Voucher programs. MTW was expanded in 2016 to allow additional PHAs to participate in a new version of the demonstration designed to test specific policy changes.

[18] The HOME Investment Partnerships Program, or HOME (not an acronym), is a HUD block grant that provides funds to states and eligible local governments to use for a range of affordable housing activities. For more information on HOME, see CRS Report R40118, *An Overview of the HOME Investment Partnerships Program*.

programs; make certain changes to HUD environmental review requirements; and authorize new grant programs aimed at incentivizing communities to reduce regulatory barriers to housing. For more information, see CRS Report R48732, *ROAD to Housing Act of 2025*.

In addition, certain tax-related housing bills that have been introduced in previous Congresses and had a large number of cosponsors from both parties have been reintroduced in the 119th Congress:

- The Affordable Housing Credit Improvement Act of 2025 (H.R. 2725/S. 1515) would make a range of changes to the low-income housing tax credit (LIHTC), the largest federal program that supports the development and rehabilitation of affordable rental housing for lower-income households. These changes would include increasing state allocation authority, reducing the bond threshold, and making a number of changes pertaining to tenant eligibility and credit determinations for projects. In addition, it would change the program's name to the "affordable housing tax credit." Versions of the Affordable Housing Credit Improvement Act were also introduced in every previous Congress since the 114th. Some, but not all, of the provisions in this bill were included in the FY2025 budget reconciliation legislation enacted in July 2025 (see the "Housing-Related Provisions in the FY2025 Budget Reconciliation Law" section).
- The Neighborhood Homes Investment Act (H.R. 2854/S. 1686) would create a tax credit intended to encourage the development or rehabilitation of affordable homes for ownership in lower-income areas. Versions of this bill have been introduced in every previous Congress since the 116th.

Selected other legislative proposals or actions related to housing affordability are discussed in other sections of this report.

The 119th Congress has also held multiple hearings related to housing supply and affordability (see **Appendix B** for a list of housing-related hearings in the 119th Congress). These hearings have covered a range of issues related to housing supply and costs and potential policy options. Some of the issues examined have included addressing regulatory barriers at all levels of government and increasing the use of less traditional housing options, such as manufactured housing and other types of offsite construction.

Selected Administrative Actions

On January 20, 2025, President Trump called on the heads of executive departments and agencies to pursue actions to address high prices in general, including actions to "lower the cost of housing and expand housing supply."[19] Agencies have subsequently taken various actions they describe as intended to address housing affordability, including reviewing various rules and regulations that may impact housing costs. For example, in July 2025 HUD and USDA published a notice seeking public comments to inform a review of the analysis in a 2024 final rule that updated energy efficiency standards for newly constructed housing under certain HUD and USDA programs pursuant to the Energy Independence and Security Act of 2007 (P.L. 110-140).[20] The agencies' original analysis found that the adoption of the updated standards would not negatively impact affordability and availability of the affected housing, and they therefore adopted the updated

[19] The White House, "Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis," January 20, 2025, https://www.whitehouse.gov/presidential-actions/2025/01/delivering-emergency-price-relief-for-american-families-and-defeating-the-cost-of-living-crisis/.

[20] HUD and USDA, "Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing; Notice for Comment," 90 *Federal Register* 29882-29885, July 7, 2025, https://www.govinfo.gov/content/pkg/FR-2025-07-07/pdf/2025-12522.pdf.

standards for newly constructed housing under the covered programs.[21] Some stakeholders, including the National Association of Home Builders, have disagreed with the determination that the updated standards would not affect housing affordability.[22] The effective dates for complying with these updated standards vary by program, and some have been delayed.[23] In November 2025, HUD further delayed the compliance dates for HUD programs where the compliance date had not yet passed, noting that "the additional delay provided by this notice will provide time for the agencies to fully consider the public comments received in response to the July 7 Notice for Comment."[24]

In addition, in March 2025 the Secretary of HUD and the Secretary of the U.S. Department of the Interior announced a Joint Task Force on Federal Land for Housing to identify federal land that could potentially be used for housing and to streamline procedures and policies related to its use.[25] While federally owned land is not evenly distributed across the United States (most is in the western states), and not all federally owned land is suitable for housing, some policymakers and researchers have argued that greater access to federal land for housing construction could play a role in addressing housing supply and cost concerns in some areas.[26] However, using federal land for housing has been met with opposition by groups that express concern about losing access to public land or how such land might be used.[27] Provisions related to the sale of federal land for housing were considered, but ultimately not included, in the FY2025 budget reconciliation legislation enacted in July 2025.[28] For more information on considerations related to providing

[21] HUD and USDA, "Final Determination: Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing," 89 *Federal Register* 33112-33182, April 26, 2024, https://www.govinfo.gov/content/pkg/FR-2024-04-26/pdf/2024-08793.pdf.

[22] For a range of perspectives on the agencies' adoption of these updated standards, see comments submitted on the original proposal and the 2025 notice at https://www.regulations.gov/docket/HUD-2023-0034.

[23] HUD, "Final Determination: Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing; Extension of HUD Compliance Dates," 90 *Federal Register* 11622-, March 10, 2025, https://www.govinfo.gov/content/pkg/FR-2025-03-10/pdf/2025-03758.pdf; and USDA, "Final Determination: Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing; Extension of USDA Compliance Dates," 90 *Federal Register* 14775, April 4, 2025, https://www.govinfo.gov/content/pkg/FR-2025-04-04/pdf/2025-05864.pdf.

[24] HUD, "Final Determination: Adoption of Energy Efficiency Standards for New Construction of HUD- and USDA-Financed Housing; Additional Extension of HUD Compliance Dates," 90 *Federal Register* 50750-50751, November 10, 2025.

[25] HUD, "HUD Secretary Scott Turner and DOI Secretary Doug Burgum Announce Joint Task Force to Use Federal Lands for Affordable Housing," press release, March 16, 2025, https://www.hud.gov/news/hud-no-25-042.

[26] For example, see Joint Economic Committee Republicans, *The HOUSES Act: Addressing the National Housing Shortage by Building on Federal Land*, August 2022, https://www.jec.senate.gov/public/_cache/files/efdd0c37-af95-40cd-9125-e80f8a11504b/the-houses-act—addressing-the-national-housing-shortage-by-building-on-federal-land.pdf; Edward J. Pinto, *Homesteading 2.0: Making Housing Affordable Again, Especially With the Construction of Starter Homes*, American Enterprise Institute, March 28, 2025, https://www.aei.org/articles/homesteading-2-0-making-housing-affordable-again-especially-with-the-construction-of-starter-homes/; and Andrew Justus, *The federal government owns much of the West – and that's a housing opportunity*, Niskanen Center, December 14, 2022, https://www.niskanencenter.org/the-federal-government-owns-much-of-west-housing-opportunity/.

[27] For example, see letters signed by multiple organizations related to provisions proposed in budget reconciliation, including https://publicland.org/wp-content/uploads/2025/06/Hunt_Fish_Conservation_Senate-Reconciliation-Land-Sales-letter-6_6_25.pdf (dated June 6, 2025) and https://nlihc.org/sites/default/files/Public_Lands_Letter_71125.pdf (dated June 27, 2025).

[28] For example, provisions related to the sale of public lands for housing were included in budget reconciliation text released by the Senate Committee on Energy and Natural Resources in June 2025. See Senate Committee on Energy and Natural Resources, *Energy and Natural Resources Committee Reconciliation Title Section-by-Section Summary*, p. 3, https://www.energy.senate.gov/services/files/0D7A13DC-D7DB-42D8-A23D-10852ADC7A85. These provisions were not included in the enacted law.

federal land for housing development, see CRS In Focus IF13080, *Potential Conveyance of Federal Land for Housing Development*.

Housing and Insurance

Property insurance is often a significant contributor to the cost of housing, and increasing insurance costs can exacerbate housing affordability challenges across the United States.[29] These cost increases (as well as associated challenges) can affect both single-family and multifamily housing, and both homeowners and rental property owners.

Mortgage lenders generally require homeowners insurance be in place through the life of a mortgage, so disruptions in insurance markets can lead to people being unable to obtain a mortgage to purchase a home. Even when insurance is not required, homeowners typically purchase it as financial protection for what is most people's largest asset. Wind, hail, and wildfire coverage are typically included as covered perils in homeowners insurance sold by private insurance companies and, as such, are regulated by states rather than the federal government. In contrast, flood losses are not covered by homeowners insurance, and homeowners and rental property owners must purchase a separate flood insurance policy, most commonly from the National Flood Insurance Program (NFIP). Flood insurance is required for federally backed mortgages in certain high-risk flood zones. (For more on the NFIP, see "The National Flood Insurance Program" section.)

Over the past few years, insurance consumers in parts of the United States have been experiencing higher prices and gaps in coverage, sometimes struggling to find insurance that sufficiently protects against hazards such as wind and wildfire.[30] Insurers have even withdrawn from offering homeowners insurance altogether in areas at high risk, leaving some households unable to find insurance outside of state-created insurers of last resort.[31] Challenges in the availability of wildfire insurance in California and wind insurance in Florida have received the most attention, but media reports include accounts of insurers increasing premiums or withdrawing from homeowners insurance markets in many states.[32] If insurers' withdrawal from markets leads to the inability of homeowners to obtain insurance and increases uninsured losses, risk (and financial responsibility) may be shifted to individuals, lenders, taxpayers, or the

[29] Emma Waters, *Rising Insurance Costs and the Impact on Housing Affordability*, Bipartisan Policy Center, June 25, 2024, https://bipartisanpolicy.org/blog/rising-insurance-costs-and-the-impact-on-housing-affordability/.

[30] See, for example, USA Facts, *Is home insurance getting more expensive?,* May 9, 2024, https://usafacts.org/articles/is-home-insurance-getting-more-expensive/; and Consumer Federation of America, *Millions of Consumers Lack Vital Homeowners Insurance, Resulting in $1.6 Trillion in Unprotected Market Value*, press release, March 11, 2024, https://consumerfed.org/press_release/millions-of-consumers-lack-vital-homeowners-insurance-resulting-in-1-6-trillion-in-unprotected-market-value/.

[31] For more information, see National Association of Insurance Commissioners, "Fair Access to Insurance Requirements Plans," https://content.naic.org/insurance-topics/fair-access-to-insurance-requirements-plans.

[32] See, for example, S&P Global, *US homeowners insurance rates jump by double digits in 2023*, January 25, 2024, https://www.spglobal.com/market-intelligence/en/news-insights/articles/2024/1/us-homeowners-insurance-rates-jump-by-double-digits-in-2023-80057804; Leslie Kaufman et al., "A Hidden Crisis in US Housing," *Bloomberg*, March 5, 2024, https://www.bloomberg.com/features/2024-home-insurance-real-estate-crisis/; Michael J. Coren et al., "Insuring Your Home Has Never Been Harder. Here's How To Do It.," *Washington Post*, December 16, 2024, https://www.washingtonpost.com/climate-environment/interactive/2024/home-insurance-climate-change-premiums-strategies; and Kevin T. Dugan, "L.A. Has Big Plans to Rebuild After the Fires. Good Luck Getting Insurance.," *Wall Street Journal*, March 11, 2025, https://www.wsj.com/real-estate/wildfires-california-insurers-palisades-rebuilding-5ad4cae3.

government. This industry reaction is not new—the NFIP was created in 1968 following widespread insurer withdrawal from offering coverage for flooding.[33]

Rising insurance costs and decreasing coverage also affect multifamily rental housing, including affordable housing.[34] Substantial increases in insurance costs add to the costs of housing development and may make it more difficult for some projects to get built. For existing multifamily rental properties, substantial increases in insurance costs can pose challenges for property owners and may lead owners to take actions such as increasing rents or deferring property maintenance. Rising costs may be particularly challenging for owners of federally assisted housing properties, which may face restrictions in their ability to increase rent. This dynamic threatens to constrict the supply of available and affordable rental homes in areas with large increases in insurance costs.[35]

Rising prices and reduced availability of property insurance has involved the interplay between two large-scale factors: (1) increasing losses from natural disasters[36] and (2) a macroeconomic environment marked by rising inflation and interest rates.[37] Insured losses from natural disasters have increased over past decades, with nearly every major peril recording an individual insured loss event over $10 billion.[38] Global insured losses topped $100 billion for the fifth consecutive year in 2024.[39] Increasing losses from natural disasters can be attributed to a combination of factors, including rapid expansion of population into areas susceptible to natural disasters, increasing replacement costs, higher reinsurance costs, inadequate building codes, and climatological and environmental changes in weather patterns and storm intensities.[40]

Most policies addressing insurance are enacted at the state level, but the scale of recent withdrawals from the market has increased congressional interest in federal intervention. In the

[33] Kristina Garcia, "The Risky Business of Homeowners Insurance," *Penn Today*, June 12, 2023, https://penntoday.upenn.edu/news/risky-business-homeowners-insurance-climate-change-fire.

[34] See, for example, Nam D. Pham and Mary Donovan, "Increased Insurance Costs for Affordable Housing Providers," NDP Analytics, October 2023, https://www.nmhc.org/globalassets/research—insight/research-reports/insurance/ndp-nlha-housing-provider-insurance-costs-report-oct-2023.pdf.

[35] Emma Waters, *Rising Insurance Costs and the Impact on Housing Affordability*, Bipartisan Policy Center, June 25, 2024, https://bipartisanpolicy.org/blog/rising-insurance-costs-and-the-impact-on-housing-affordability/.

[36] Munich Re, *Natural disasters worldwide: Losses are on the rise as climate change strikes,* May 2025, https://www.munichre.com/en/risks/natural-disasters.html#-1624621007.

[37] See CRS Testimony TE10087, *The Factors Influencing the High Cost of Insurance for Consumers*.

[38] Gallagher Re, *Natural Catastrophe Report 2024*, January 2025, p. 6, https://www.ajg.com/gallagherre/-/media/files/gallagher/gallagherre/news-and-insights/2025/natural-catastrophe-and-climate-report-2025.pdf.

[39] Swiss Re, "Hurricanes, severe thunderstorms and floods drive insured losses above USD 100 billion for 5th consecutive year, says Swiss Re Institute," press release, December 5, 2024, https://www.swissre.com/press-release/Hurricanes-severe-thunderstorms-and-floods-drive-insured-losses-above-USD-100-billion-for-5th-consecutive-year-says-Swiss-Re-Institute/f8424512-e46b-4db7-a1b1-ad6034306352.

[40] J.P. Morgan, *Insurance: Weathering the Storm of Inflation, Climate Change, and Market-Distorting State Regulation*, March 31, 2025, https://www.jpmorgan.com/content/dam/jpm/cib/documents/Weathering_the_storm.pdf.

119th Congress, hearings have been held[41] and legislation introduced, though no direct federal action has yet been taken.[42]

Housing-Related Provisions in the FY2025 Budget Reconciliation Law

The FY2025 budget reconciliation legislation (P.L. 119-21), enacted on July 4, 2025, included some provisions that have implications for housing. The majority of these provisions were tax-related, including changes to the LIHTC, extensions and modifications of certain housing-related tax provisions included in the FY2018 budget reconciliation law (TCJA, P.L. 115-97) (i.e., provisions related to the mortgage interest deduction, deductions for state and local taxes, and Opportunity Zones), and the elimination of several tax credits related to residential energy efficiency or clean energy. P.L. 119-21 also rescinded unobligated funding from certain programs funded in FY2022 budget reconciliation legislation sometimes referred to as the Inflation Reduction Act (IRA, P.L. 117-169) that provided funding for green housing activities. In addition, it reduced funding for the Consumer Financial Protection Bureau (CFPB), which provides oversight of providers of an array of consumer financial products and services—including mortgage lenders and servicers.

Housing Tax Provisions

P.L. 119-21 includes a significant number of tax provisions, many of which are modifications or extensions of provisions included in the TCJA. Several tax provisions are housing-related, including some that affect programs that are not specific to housing but can be used for it under certain circumstances.

Low-Income Housing Tax Credit

The low-income housing tax credit is the largest federal program supporting the development and rehabilitation of affordable rental housing for lower-income households. Section 70422 of P.L. 119-21 permanently increases states' LIHTC allocation authority by 12% starting in calendar year 2026. In 2025, states have LIHTC allocation authority equal to $3.00 per person, with a minimum small-population state allocation of $3,455,000.[43] The 12% increase provided by P.L. 119-21, along with the automatic annual inflation adjustment, will increase state allocation authority in 2026 to $3.416 per person, with a minimum small population state allocation of $3,953,600.[44] Additionally, the act reduces the 50% tax-exempt bond financing requirement to 25% for bond obligations issued starting in calendar year 2026.

[41] U.S. Congress, Senate Banking, Housing, and Urban Affairs Committee, *Examining Insurance Markets and the Role of Mitigation Policies*, 119th Cong., 1st sess., May 1, 2025, https://www.banking.senate.gov/hearings/examining-insurance-markets-and-the-role-of-mitigation-policies; and U.S. Congress, Senate Homeland Security and Governmental Affairs Committee, Subcommittee on Disaster Management, District of Columbia, and Census, *Examining the Insurance Industry's Claims Practices Following Recent Natural Disasters*, 119th Cong., 1st sess., May 13, 2025, https://www.hsgac.senate.gov/subcommittees/dmdcc/hearings/examining-the-insurance-industrys-claims-practices-following-recent-natural-disasters/.

[42] See, for example, the Wildfire Insurance Coverage Study Act of 2025 (H.R. 550), the Homeowners Defense Act of 2025 (H.R. 857), and the Incorporating National Support for Unprecedented Risks and Emergencies (INSURE) Act (S. 2349).

[43] Internal Revenue Service (IRS), *Revenue Procedure 2024-40*, p. 10, https://www.irs.gov/pub/irs-drop/rp-24-40.pdf.

[44] IRS, *Revenue Procedure 2025-32*, October 9, 2025, https://www.irs.gov/pub/irs-drop/rp-25-32.pdf. Annual LIHTC allocation authority is indexed for inflation, which is in addition to the 12% increase provided by P.L. 119-21.

For more information on the LIHTC, see CRS Report RS22389, *An Introduction to the Low-Income Housing Tax Credit*.

Mortgage Interest Deduction

Section 70108 of P.L. 119-21 makes permanent what had been a temporary change to the mortgage interest deduction enacted by the TCJA. The TCJA changed the tax treatment of mortgage interest for tax years 2018 through 2025. For mortgage debt incurred on or before December 15, 2017, taxpayers may deduct the interest incurred on the first $1 million ($500,000 for married filing separately) of combined mortgage debt. For mortgage debt incurred after December 15, 2017, the TCJA limited the deduction to the interest on the first $750,000 ($375,000 for married filing separately) of mortgage debt. No deduction is allowed for interest payments made for new or existing home equity debt if such debt is used for purposes unrelated to the property securing the loan. The act makes permanent the lower mortgage debt thresholds imposed by the TCJA for new loans incurred after December 15, 2017. It also allows for mortgage insurance premiums to be considered mortgage interest and therefore deductible starting in 2026.

For more information on the mortgage interest deduction, see CRS Report R46429, *An Economic Analysis of the Mortgage Interest Deduction*.

Deductibility of State and Local Taxes

Section 70120 of P.L. 119-21 increases the limits on the deductibility of state and local taxes (SALT) (which includes property taxes) from $10,000 to $40,000 through 2029. The deduction phases out for taxpayers earning more than $500,000 (eventually down to $10,000 for those earning $600,000 and above). Both the overall limit and the income threshold will increase by 1% per year through 2029. The overall limit will revert to $10,000 starting in 2030.

For more information on the SALT deduction, see CRS Report R46246, *The SALT Cap: Overview and Analysis*.

Opportunity Zones

Section 70421 of P.L. 119-21 makes permanent the Opportunity Zone (OZ) program, which had been set to expire after 2026. Investments in OZs, including housing, are eligible to receive preferential tax treatment through the deferral of capital gains and a step-up in basis on capital gains. The act requires states to reevaluate OZ designation every 10 years.

For more information on OZs, see CRS Report R45152, *Tax Incentives for Opportunity Zones*.

New Markets Tax Credits

Section 70423 of P.L. 119-21 makes permanent the New Market Tax Credits (NMTC) program, which supports a variety of types of qualified investments in eligible low-income communities. Some housing developments can be eligible for NMTC investments, although there are limitations on its use for housing; for example, while mixed-use projects can be eligible, projects where 80% or more of gross rental income comes from the rental of housing units are not eligible.[45] The NMTC had been set to expire after 2025.

[45] U. S. Department of the Treasury, Community Development Financial Institutions Fund, "Introduction to the New (continued...)

For more information on NMTC, see CRS Report RL34402, *New Markets Tax Credit: An Introduction*.

Termination of Residential Energy and Clean Energy Tax Credits

P.L. 119-21 also terminates various tax credits for residential energy efficiency or clean energy usage sooner than they would have ended under prior law. These include the credit for construction of energy-efficient new homes, the energy efficient home improvement credit, and the residential clean energy credit.

- **Credit for Construction of Energy-Efficient New Homes (CCEENH):** The CCEENH may be claimed by builders of single-family homes, manufactured homes, and multifamily homes attaining the energy efficiency standards set by either Energy Star or the U.S. Department of Energy's Zero Energy Ready Home (ZERH) program. Under prior law, the CCEENH was scheduled to expire at the end of 2032. Section 70508 of P.L. 119-21 restricts the credit to homes acquired on or before June 30, 2026.
- **Energy Efficient Home Improvement Credit (EEHIC):** Individuals and couples may receive an EEHIC for making energy-efficiency upgrades to their homes. Purchases of energy-efficient appliances installed at homes that are rented or homes that are owned and used as principal or secondary residences are eligible for the EEHIC. Upgrades to the insulation, exterior doors, and exterior windows or skylights of homes owned and used as principal residences are also eligible. In addition, home energy audits of taxpayers' principal residences (whether owned or rented) are eligible for the credit. Landlords may not receive the EEHIC.

  Under prior law, the EEHIC was scheduled to expire at the end of 2032. The amendments made by Section 70505 of P.L. 119-21 may be subject to interpretation. The provision, amending the Internal Revenue Code (IRC), states: "Section 25C(h) is amended by striking 'placed in service' and all that follows through 'December 31, 2032' and inserting 'placed in service after December 31, 2025'." While Section 25C(h) of the IRC (26 U.S.C. §25C(h)) contains the words "placed in service," it does not contain a reference to the date "December 31, 2032." Both phrases, however, appear in IRC Section 25C(i), pertaining to termination. Although the provision references modifying IRC Section 25C(h), pertaining to product identification number requirements for qualifying energy property, policymakers may have intended to modify IRC Section 25C(i), and thereby repeal the EEHIC for property placed in service after December 31, 2025.
- **Residential Clean Energy Credit (RCEC):** The RCEC subsidizes purchases of renewable energy equipment used at the residences of individuals and couples. Renters and homeowners (though not landlords) installing solar electric panels, solar water heaters, small wind energy systems, geothermal heat pumps, and other renewable energy equipment can receive an RCEC proportional to the costs of purchasing, assembling, and installing such equipment at domestically located residences. Under prior law, the RCEC would have been in place through the end

Markets Tax Credit Program," November 13, 2024, p. 26, https://www.cdfifund.gov/system/files/2025-04/CY_2024-2025_Introduction_to_the_NMTC_Program.pdf.

of 2034. Section 70506 of P.L. 119-21 terminates the credit for expenditures made after December 31, 2025; in effect, this repeals the RCEC starting in 2026.

- **Alternative Fuel Vehicle Refueling Property Credit:** Section 70504 of P.L. 119-21 also terminates the alternative fuel vehicle refueling property credit, a tax credit for electric vehicle (EV) charging equipment and alternative fueling equipment, for property placed in service after June 30, 2026. While this would not affect a large subset of homeowners, it would affect homeowners installing advanced EV charging equipment at their residences.

For more information on tax provisions in P.L. 119-21, see CRS Report R48611, *Tax Provisions in P.L. 119-21, the FY2025 Reconciliation Law*.

Rescissions of Unobligated Balances from Programs Funding Green Housing Activities

In addition to the housing-related tax provisions in P.L. 119-21, there were also some rescissions of housing-related funding. Section 30002 rescinded an estimated $138 million in unobligated funding from HUD's Green and Resilient Retrofit Program (GRRP).[46] The IRA had provided one-time funding of $1 billion for this program, through which HUD offered loans and grants to owners of certain HUD-assisted multifamily rental properties to help fund energy/water efficiency and climate resiliency upgrades.

Section 60002 of P.L. 119-21 rescinded an estimated $19 million in unobligated funding from the Environmental Protection Agency's (EPA's) Greenhouse Gas Reduction Fund (GGRF).[47] The IRA had provided one-time funding of $27 billion for the GGRF, through which EPA provided grants to assist projects that reduce greenhouse gas emissions, with a focus on those that benefit low-income and disadvantaged communities.[48] While not focused on housing specifically, the GGRF could be used for some activities related to it.

For more information on the GGRF, see CRS In Focus IF12387, *EPA's Greenhouse Gas Reduction Fund (GGRF)*.

CFPB Funding

Section 30001 of P.L. 119-21 reduced the funding cap for the CFPB.[49] The CFPB provides oversight of certain housing market participants, including mortgage originators and servicers, and of other financial market activities.[50]

CFPB funding is distributed quarterly from the Federal Reserve to the *Bureau Fund* according to amounts requested by the CFPB director, subject to an overall cap. Prior to the passage of P.L. 119-21, this funding cap used a statutory formula that capped the budget request for FY2013 at

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[46] Congressional Budget Office (CBO), *Estimated Budgetary Effects of* P.L. 119-21*, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to the Budget Enforcement Baseline for Consideration in the Senate*, cost estimate, July 21, 2025, https://www.cbo.gov/publication/61569. See Title III for estimates related to the GRRP.

[47] CBO, Estimated Budgetary Effects of P.L. 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to the Budget Enforcement Baseline for Consideration in the Senate. See Title VI for estimates related to GGRF.

[48] For more information on the GGRF, see CRS In Focus IF12387, *EPA's Greenhouse Gas Reduction Fund (GGRF)*.

[49] For more information on the CFPB budget, see CRS Report R48295, *The Consumer Financial Protection Bureau Budget: Background, Trends, and Policy Options*.

[50] For more information on the CFPB generally, see CRS In Focus IF10031, *Introduction to Financial Services: The Consumer Financial Protection Bureau (CFPB)*.

12% of total Federal Reserve FY2009 operating expenses ($4.98 billion), which computed to $598 million. Each year, this cap is adjusted for inflation. P.L. 119-21 revised the CFPB funding cap by reducing the 12% figure in current law to 6.5% of Federal Reserve FY2009 operating expenses. The law left prior and future employment cost index adjustments in place. This change decreased the funding cap in FY2025 to $446 million, compared to the cap as calculated under the previous formula ($823 million).

For more on this change, see CRS Insight IN12578, *P.L. 119-21, the FY2025 Reconciliation Law, Provisions Related to CFPB Funding*.

Executive Orders and Other Administrative Actions: Implications for Housing

The start of the 119th Congress coincided with the beginning of the second Trump Administration. While all new Administrations make personnel and policy changes to align the executive branch with their priorities, the second Trump administration has issued a record number of executive orders,[51] announced plans for significant downsizing of the federal workforce,[52] increased import tariffs,[53] and increased immigration enforcement and reduced entry.[54] Many of these actions could have implications for federal housing policy and programs.

For example, in response to multiple executive orders,[55] various federal agencies froze payments to grantees or contractors, and in some cases terminated contracts and canceled grant awards, including some awards involving federal housing programs.[56] Some of these actions have prompted lawsuits by affected parties, with plaintiffs often alleging, among other things, that the freezes exceed agencies' statutory authority, are contrary to the law, or are arbitrary and capricious in violation of the Administrative Procedure Act (APA).[57]

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[51] See CRS Report R48476, *Nationwide Injunctions in the First Hundred Days of the Second Trump Administration*.

[52] Executive Order 14210, "Implementing the President's 'Department of Government Efficiency' Workforce Optimization Initiative," February 11, 2025 (among other things, requiring executive branch agencies "to initiate large-scale reductions in force"). See also CRS Insight IN12505, *Federal Workforce Downsizing: Voluntary and Involuntary Mechanisms*.

[53] See CRS Report R48549, *Presidential 2025 Tariff Actions: Timeline and Status*.

[54] See CRS Legal Sidebar LSB11299, *Recent Executive Branch Actions on Immigration (Part 1)* and CRS Legal Sidebar LSB11300, *Recent Executive Branch Actions on Immigration (Part 2)*.

[55] See, for example, Executive Order 14154, "Unleashing American Energy," January 20, 2025; Executive Order 14151, "Ending Radical and Wasteful Government DEI Programs and Preferencing," January 20, 2025; Executive Order 14159, "Protecting the American People Against Invasion," January 20, 2025; Executive Order 14161, "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government," January 20, 2025; Executive Order 14162, "Putting America First in International Environmental Agreements," January 20, 2025; Executive Order 14169, "Reevaluating and Realigning United States Foreign Aid," January 20, 2025; and Executive Order 14182, "Enforcing the Hyde Amendment," January 24, 2025. See also Office of Management and Budget, M-25-13, *Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs*, January 27, 2025, https://www.whitehouse.gov/wp-content/uploads/2025/03/M-25-13-Temporary-Pause-to-Review-Agency-Grant-Loan-and-Other-Financial-Assistance-Programs.pdf.

[56] See, for example, HUD, "HUD Cancels $4 Million in DEI Contracts," press release, https://www.hud.gov/news/hud-no-25-031; Jesse Bedayn, "Trump administration throws hundreds of affordable housing projects into limbo after contract cuts," *Associated Press*, March 7, 2025, https://apnews.com/article/affordable-housing-trump-doge-hud-funding-af0cadf5238f1654d723350cc2e8e0f7; and Jennifer Ludden, "HUD is bracing as DOGE seeks to cut waste, fraud. Union leaders have a suggestion," *NPR*, February 11, 2025, https://www.npr.org/2025/02/11/g-s1-48297/doge-hud-trump-funding-cuts-housing-urban-development.

[57] See, for example, Woonasquatucket River Watershed Council v. U.S. Department of Agriculture, No. 1:250-cv-
(continued...)

In terms of the President's call for federal agencies "to initiate large-scale reductions in force,"[58] HUD Secretary Turner confirmed in a June hearing that he would implement a staffing reduction of about 2,300[59] (out of about 8,000 agency employees[60]). Additionally, the entire staff of the Interagency Council on Homelessness has reportedly been put on administrative leave.[61] The implications of these staffing reductions on housing program administration and performance is unclear. HUD's Office of Inspector General has indicated it is conducting a review of HUD's workforce reductions.[62]

President Trump has also imposed a number of import tariffs on certain goods and countries.[63] Details have been evolving and may continue to change as the Administration engages in negotiations with trading partners. Some of the tariffs, and related uncertainty around their ultimate implementation, may affect the cost and availability of various inputs used in housing construction, including some building materials and finishes (e.g., appliances).[64]

The Trump Administration has also taken a number of actions to reduce both legal and unauthorized immigration through a combination of entry restrictions and domestic enforcement actions, which could have implications for housing. For example, it could decrease housing costs and increase availability in areas where the reduction in the immigrant population decreases the overall demand for housing. Conversely, it could reduce the supply of new housing and increase its cost, given that immigrants have historically made up a significant share of the construction labor force.[65]

Federal Housing Assistance Programs

Some issues being considered by the 119th Congress involve housing assistance programs administered by HUD or USDA. These include appropriations for federal housing assistance programs and potential reauthorizations of, or reforms to, two HUD block grant programs, the

00097 (D. R.I. 2025) (APA challenge involving HUD's GRRP, which was funded under the IRA). More generally, see CRS Report R48600, *Trump v. CASA, Inc. and Nationwide Injunctions During the Second Trump Administration*.

[58] Executive Order 14210, "Implementing the President's 'Department of Government Efficiency' Workforce Optimization Initiative," February 11, 2025.

[59] U.S. Congress, Senate Appropriations Committee, Department of the Interior, Environment, and Related Agencies Subcommittee, *A Review of the President's Fiscal Year 2026 Budget Request for the Department of Housing and Urban Development*, 119th Cong., 1st sess., June 11, 2025, https://www.appropriations.senate.gov/hearings/a-review-of-the-presidents-fiscal-year-2026-budget-request-for-the-department-of-housing-and-urban-development (approx. minute 58).

[60] See HUD FY2025 Budget Justifications, https://archives.hud.gov/budget/fy25/2025_FTE_Summary.pdf.

[61] Kriston Capps, "DOGE Places Entire Staff of Federal Homelessness Agency on Leave," *Bloomberg*, April 16, 2025, https://www.bloomberg.com/news/articles/2025-04-16/doge-places-entire-staff-of-federal-homelessness-agency-on-leave.

[62] HUD Office of Inspector General, *HUD's Workforce Reduction Review*, May 2025, https://www.hudoig.gov/library/ongoing-work/huds-workforce-reductions-review.

[63] See CRS Report R48549, *Presidential 2025 Tariff Actions: Timeline and Status*.

[64] Paul Emrath, "Despite Exemptions and Delays, Tariffs are Already Affecting Builders," National Association of Home Builders, April 15, 2025, https://eyeonhousing.org/2025/04/despite-exemptions-and-delays-tariffs-are-already-affecting-builders/; and National Multifamily Housing Council, "Assessing the Impact of New Policy Proposals on Housing," April 1, 2025, https://www.nmhc.org/news/research-corner/2025/assessing-the-impact-of-new-policy-proposals-on-housing/.

[65] The National Association of Homebuilders cites Census data showing that 31% of all workers in the construction trade are immigrants (both lawfully present and undocumented); see https://www.nahb.org/advocacy/industry-issues/labor-and-employment/immigration-reform-is-key-to-building-a-skilled-workforce.

Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME).

Appropriations

Nearly all funding for federal housing assistance programs comes from annual discretionary appropriations. The largest share of those appropriations for housing programs is devoted to covering the costs of maintaining federal rental assistance programs, which provide subsidies to the lowest income tenants allowing them generally to pay 30% or less of their incomes toward their housing costs.

More than half of HUD's appropriations each year are devoted to maintaining assistance for the approximately 4.5 million households served by the Section 8 Housing Choice Voucher (HCV) and Section 8 Project-Based Rental Assistance programs. Funding needs for the HCV program and project-based rental assistance have been increasing, because of increases in the number of people served and the increased costs of maintaining assistance for households that are currently served by the programs due to rents increasing faster than their incomes.

Despite the large share of total HUD funding that these rental assistance programs command, their combined funding levels permit them to serve an estimated one in four eligible families, which results in waiting lists for assistance in most communities.[66] A similar dynamic plays out in USDA's Rural Housing Service (RHS) budget. Demand for housing assistance exceeds the supply of subsidies, yet the largest share of RHS spending for rental housing programs is devoted to maintaining rental assistance for current residents.[67]

In a budget environment where there is a desire to reduce federal spending, pressure to provide increased funding to maintain current services for existing rental assistance programs competes with pressure from states, localities, and advocates to maintain or increase funding for other popular programs, such as HUD's CDBG and HOME programs, grants for homelessness assistance, and funding for Native American housing programs.

One way this tension was addressed in the 118th Congress for FY2023 and FY2024 and by the 119th Congress in the FY2025 full-year continuing resolution was through the use of emergency-designated appropriations for regular program operations. This use of emergency-designated appropriations effectively funds a portion of HUD's rental assistance renewal needs outside of the standard budget constraints imposed by discretionary spending limits. (For more information, see "Emergency-Designated Funding for Rental Assistance Renewals," in CRS Report R48253, *Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations for FY2025*.

FY2026 Request and Rental Assistance Block Grant Proposal

For FY2026, President Trump's budget proposed $43.5 billion in gross discretionary appropriations for HUD, which is about $45.6 billion (51%) less than the $89 billion in discretionary appropriations provided in FY2025.[68] The reductions would come from eliminating funding for a number of large HUD grant programs—including HOME and CDBG—as well as

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[66] See CRS In Focus IF12824, *Federal Rental Assistance and Affordability*.

[67] The bulk of the RHS budget for rental housing is devoted to renewing existing Section 521 rental assistance contracts in Section 515 and Section 514/516 rental housing properties. For more information about USDA's rural housing programs, see CRS Report RL31837, *An Overview of USDA Rural Development Programs*.

[68] See the President's budget documents at https://www.whitehouse.gov/omb/information-resources/budget/the-presidents-fy-2026-discretionary-budget-request/.

eliminating funding for HUD's existing rental assistance subsidy programs. Instead of funding the Public Housing, Section 8 HCV, Section 8 Project-Based Rental Assistance, Section 202 Housing for the Elderly, and Section 811 Housing for Persons with Disabilities programs, the budget would fund a new state block grant. The amount of funding requested for the proposed State Rental Assistance Program for FY2026 ($36.2 billion) is 42% lower than the amount allocated to federal subsidies for rental assistance in FY2025 ($62.9 billion, combined).[69]

According to HUD's Congressional Budget Justification (CJ),[70] states would receive allocations through the new State Rental Assistance Program based on a formula that would take into account data on rental assistance in prior years. The CJ states that the intent behind this proposal is to allow states to design rental assistance programs that best meet their needs and to prioritize the housing needs of low-income elderly and disabled households. Under this proposal, rental assistance to nonelderly, nondisabled households would be capped at two years.

The President's budget documents note that this proposal would require enactment of authorizing legislation.[71] As of the cover date of this report, no further details or draft authorizing legislation has been released. Neither the House nor the Senate Appropriations Committee-reported FY2026 HUD funding bills (H.R. 4552 and S. 2465, respectively) included the President's rental assistance consolidation proposal.

FY2026 Funding Lapse and Government Shutdown

Because no discretionary appropriations for FY2026 had been enacted at the end of FY2025, on October 1, 2025, a funding lapse triggered a government shutdown that lasted until enactment of the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (P.L. 119-37) on November 11, 2025.[72] Some housing programs and activities were deemed excepted and thus were continued (such as certain federally insured loan loss mitigation activities), some had sufficient funding from prior-year funding bills to continue operations (such as federal rental assistance programs), and others were suspended (such as issuance of most new grants).[73]

During the shutdown, authorization for the National Flood Insurance Program lapsed, so the program stopped issuance of new policies and renewals.[74] P.L. 119-37 reauthorized the program through January 30, 2026. For more information, see the "The National Flood Insurance Program (NFIP)" section.

Proposed Changes to HOME and CDBG

Two HUD block grant programs, HOME and CDBG, provide formula grants to states and certain local governments that can be used for a variety of eligible activities. HOME can be used for a

[69] CRS calculations based on the President's budget documents.

[70] See the "State Rental Assistance Program" section of HUD's FY2026 Congressional Budget Justification at https://www.hud.gov/sites/dfiles/CFO/documents/2026_CJ_Program_SRAP.pdf.

[71] See the "State Rental Assistance Program" section of HUD's FY2026 Congressional Budget Justification, p. 2-1.

[72] For more information about government shutdowns, see CRS Report R47693, *Government Shutdowns and Executive Branch Operations: Frequently Asked Questions (FAQ)*.

[73] See CRS Report R47693, *Government Shutdowns and Executive Branch Operations: Frequently Asked Questions (FAQ)*. For a detailed discussion of the applicability to specific programs and activities, see the agency shutdown plans issued by HUD and USDA, available at https://www.hud.gov/sites/dfiles/PA/documents/HUD-Lapse-Plan.pdf and https://www.usda.gov/sites/default/files/documents/fy2026-usda-lapse-plan.pdf.

[74] For more information, see CRS Insight IN10835, *What Happens If the National Flood Insurance Program (NFIP) Lapses?*

range of affordable housing activities that benefit low-income households, including new construction, rehabilitation, and acquisition of rental housing and housing for homeownership, as well as tenant-based rental assistance. CDBG can be used for a wider range of community development activities that primarily benefit low-income households, including some affordable housing activities such as rehabilitation, conversion, and lead-based paint abatement. In general, use of CDBG funds for new housing construction is prohibited, except when carried out by qualified nonprofits as part of a larger project.

While there have been some legislative and regulatory changes over time, CDBG and HOME have not been reauthorized by Congress since 1992.[75] In April 2025, the Chair and Ranking Member of the House Financial Services Subcommittee on Housing and Insurance released a request for information regarding HOME and CDBG in furtherance of legislation to update and reform both programs.[76]

HOME Investment Partnerships Program

In July 2025, the House Financial Services Committee's Subcommittee on Housing and Insurance held a hearing that focused on the HOME program and on a discussion draft of a bill to make changes to the program.[77] The hearing touched on several topics related to HOME, including environmental review requirements, Build America Buy America requirements, Davis-Bacon prevailing wage requirements, Section 3 contracting requirements, and appropriations. In October 2025, the Chair and Ranking Member of the subcommittee introduced the HOME Reform Act of 2025 (H.R. 5878).[78]

Provisions related to HOME are also included in the ROAD to Housing Act (S. 2651) reported by the Senate Banking Committee and the version of that bill subsequently included in the Senate-passed NDAA (S. 2296). Specifically, Section 502 of S. 2651 and Section 5502 of Division I of S. 2296 would reauthorize HOME and make program revisions.

H.R. 5878 and the ROAD to Housing Act of 2025 (both as reported by the Senate Banking Committee and as included in the Senate-passed version of the NDAA) include many similar provisions related to HOME. Both bills propose the elimination of a 24-month commitment deadline for HOME grantees, and would allow grantees to use funds reserved for Community Housing Development Organizations (CHDOs) for other eligible activities after 24 months. The two bills also waive income requirements for HOME-assisted housing for homeownership in the case of members of the military, and waive resale restrictions for such housing in the case of inheritances. Both bills also modify environmental review requirements and include Community Land Trusts as a mechanism to maintain housing affordability, but differ in the details. Each bill also includes some provisions not included in the other. For example, H.R. 5878 proposes several program changes to relax affordability requirements for housing for homeownership, expand eligible uses for HOME dollars for jurisdictions that do not receive direct assistance under

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[75] Both programs were reauthorized as part of the Housing and Community Development Act of 1992 (P.L. 102-550).

[76] House Committee on Financial Services, Housing and Insurance Subcommittee, "Congressmen Flood & Cleaver Kick Off Public Input Process for HOME and CDBG Reauthorization," press release, April 7, 2025, https://flood.house.gov/media/press-releases/congressmen-flood-cleaver-kick-public-input-process-home-and-cdbg.

[77] U.S. Congress, House Financial Services Committee, Housing and Insurance Subcommittee, *HOME 2.0: Modern Solutions to the Housing Shortage*, 119th Cong., 1st sess., July 16, 2025, https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=410787.

[78] Office of Congressman Mike Flood, "Housing & Insurance Chair Flood and Ranking Member Cleaver Introduce Bipartisan Legislation Modernizing HOME Program," press release, October 31, 2025, https://flood.house.gov/media/press-releases/housing-insurance-chair-flood-and-ranking-member-cleaver-introduce-bipartisan.

CDBG, and exempt certain HOME-assisted housing projects from regulations such as Buy America Preferences and Section 3 contracting requirements. The ROAD to Housing Act of 2025, by contrast, proposes to reauthorize the program, increase the percentage of funds that grantees may use for administrative costs, clarify how the purchase price of housing for homeownership is defined, and lower requirements for organizations to qualify as CHDOs, among other provisions.

Several other policy issues regarding the HOME program were addressed in a January 2025 final rule.[79] The rule was originally scheduled to go into effect on February 5, 2025, but the effective date was subsequently delayed until April 20, 2025, with certain provisions further delayed until October 30, 2025.[80] Section 502 of S. 2651 would codify some of these regulatory changes, including reduced requirements for "small-scale housing" (defined as one-to-four-unit rental housing projects). The 2025 final rule and the ROAD to Housing Act also include similar, but distinct, changes to relax the requirements for organizations to qualify as Community Housing Development Organizations.

Community Development Block Grant

Potential reforms to the CDBG program have been of perennial congressional interest since its inception in the mid-1970s. As noted previously, in the 119th Congress the Chair and Ranking Member of the Subcommittee of the House Committee on Financial Services with jurisdiction over CDBG have indicated intent and sought public input on potential legislation that would reauthorize and likely reform the program. Alternatively, some Members of the 119th Congress introduced the Repeal Community Development Block Grants Act of 2025 (H.R. 1133), which would eliminate the program.

In recent years, some Members have introduced bills that would establish (or would have established) a range of reforms to CDBG. These have included modifications to the cap on expenditures for public service activities,[81] adjustments to the low- and moderate-income determination process for certain populations,[82] and changes to the program's formula allocation methodology,[83] among other proposals. Additionally, at the direction of Congress,[84] HUD's Office of Policy Development and Research (PD&R) has examined the efficacy of the CDBG formula process.[85] PD&R has recommended multiple methodological and administrative adjustments to address observed inefficiencies in the current formula's ability to target program grantee allocations based on community development need, as defined by HUD.[86] The PD&R report also

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[79] HUD, "HOME Investment Partnerships Program: Program Updates and Streamlining," 90 *Federal Register* 746-895, January 6, 2025.

[80] For more details, see CRS Report R48422, *HOME Program 2025 Final Rule: In Brief*.

[81] For examples, see the Expand Emergency Housing Act (H.R. 5436) in the 118th Congress and the Public Service Flexibility Act of 2013 (H.R. 1758/S. 855) in the 113th Congress.

[82] For example, see the Disabled Veterans Housing Support Act (H.R. 224/S. 1714) in the 119th Congress.

[83] For examples, see the Community Development Block Grant Equity Act of 2024 (H.R. 8583) in the 118th Congress and the CDBG Modernization Act of 2022 (H.R. 7868) in the 117th Congress.

[84] U.S. Congress, House Appropriations Committee, *Departments of Transportation, and Housing and Urban Development, and Related Agencies Appropriations Bill, 2022*, 117th Cong., 1st sess., July 20, 2021, H.Rept. 117-99 (Washington, DC: GPO, 2021), p. 130.

[85] HUD PD&R, *Evaluation of the CDBG Formula*, November 2023, https://www.huduser.gov/portal//portal/sites/default/files/pdf/An-Evaluation-of-the-CDBG-Formulas-Targeting-to-Community-Development-Need-2023.pdf.

[86] HUD PD&R, *Evaluation of the CDBG Formula*, pp. 9-51,.

briefly discusses potential refinements to the process for distribution of CDBG funds to insular areas (American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands).[87]

Separately, in January 2024 HUD published a proposed rule in the *Federal Register* that sought to modify aspects of the HUD Consolidated Plan process, adjust timely expenditure requirements to enable large-scale community development projects, and institute certain programmatic flexibilities to encourage the use of CDBG funds for economic development activities in low- and moderate-income communities.[88] Some scholars have suggested that CDBG investments in economic development activities may be ineffective in facilitating job creation, and in some cases could provide a disproportionate benefit to a small group of private businesses.[89] That rule has not been finalized as of the cover date of this report.

In addition to these potential reforms, some national community development organizations have called for changes related to program data accessibility, new housing construction activity eligibility, multi-jurisdictional project eligibility, technical assistance and capacity building resources, and targeted assistance for rural communities.[90] There have also been legislative proposals to formally authorize the CDBG-Disaster Recovery (CDBG-DR) program (as discussed further in the "CDBG-DR" section).

Funding for HOME and CDBG

Congress has long considered and debated the appropriate funding levels for these block grants as part of broader discussion on program administration and outcomes. For example, in recent years,

- several pieces of legislation in the 118th Congress proposed additional appropriations to the HOME program, or proposed authorizing appropriations to the HOME program above typical funding levels;[91]
- HUD has called for an amended funding distribution process for CDBG "to optimize effect" in the communities with the highest levels of need, citing increases in the number of grantees and relatively stable funding levels (in nominal dollars) since the program's inception;[92] and
- the President's FY2026 budget request proposed to eliminate funding for both HOME and CDBG (as discussed in the "Appropriations" section of this report), maintaining that state and local governments are better positioned to address their communities' housing needs than the federal government.[93] Similar cuts were

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[87] HUD PD&R, *Evaluation of the CDBG Formula*, p. 52.

[88] HUD, "Submission for Community Development Block Grant Program, Consolidated Plans, and Indian Community Development Block Grant Program Changes," 89 *Federal Register* 1746-1786, January 10, 2024.

[89] U.S. Congress, House Financial Services Committee, Housing and Insurance Subcommittee, *Flexible Federal Funding: Examining the Community Development Block Grant Program and Its Impact on Addressing Local Challenges*, 117th Cong., 1st sess., June 16, 2021, 117-31 (Washington, DC: GPO, 2021), p. 11.

[90] Vicki Watson et al., "Practitioner Perspective on Community Development Block Grants Past and Future," *Cityscape*, vol. 26, no. 3 (2024), pp. 19-23.

[91] For examples, see the Housing Crisis Response Act of 2023 (H.R. 4233), the Housing for All Act of 2023 (H.R. 5254), the DASH Act (H.R. 6970/S. 680), the Community Housing Act of 2024 (H.R. 7325), the American Housing and Economic Mobility Act of 2024 (H.R. 9245/S. 4824), and the HOME Investment Partnerships Reauthorization and Improvement Act of 2024 (H.R. 7075/S. 3793).

[92] Greg Miller and Todd Richardson, *An Evaluation of the CDBG Formula's Targeting to Community Development Need 2023 (Hereinafter, Evaluation of the CDBG Formula)*, HUD PD&R, November 2023, https://www.huduser.gov/portal//portal/sites/default/files/pdf/An-Evaluation-of-the-CDBG-Formulas-Targeting-to-Community-Development-Need-2023.pdf. Also see CRS Insight IN12426, *Trends in CDBG Program Funding and Grantee Participation*.

[93] HUD, FY2026 Congressional Budget Justifications, pp. 14-1 and 16-1, https://www.hud.gov/stat/cfo/cj-fy26.

proposed in the first Trump Administration's budget requests but were not adopted in previous appropriations laws.

Homelessness

According to HUD point-in-time (PIT) count data, the number of people experiencing homelessness in 2024 reached its highest level since 2007.[94] The PIT count, overseen by HUD and administered at the state and local levels, is perhaps the most consistent and comprehensive measure of people experiencing homelessness. It is meant to capture the number of people experiencing unsheltered homelessness (i.e., living in places not meant for human habitation) and sheltered homelessness (i.e., living in emergency shelter or transitional housing) on one night in January each year.[95] The number of people experiencing homelessness as measured in the 2024 PIT count was 771,480, an increase of 18% compared to 2023; in 2007, the PIT count was 647,258.[96]

Both the unsheltered and sheltered populations increased in the 2024 PIT count compared to recent years. The number of people experiencing unsheltered homelessness began gradually increasing each year from a low of 173,268 in 2015 to 274,224 in 2024, an increase of 58% and the highest number captured in HUD reporting (exceeding 2023, when 256,610 people were unsheltered).[97] The number of people experiencing sheltered homelessness in 2024 was 497,256, an increase of 25% from 2023, and exceeding the previous high from 2010 when 403,543 people were living in shelter.[98]

Prior to the 2023 PIT count, which also saw increases in homelessness, the count had remained relatively stable from 2013 through 2022 despite growing housing affordability challenges (see the "Housing Costs" section).[99] HUD, in the *2024 Annual Homelessness Assessment Report (AHAR) to Congress*, noted factors that could contribute to growing numbers of people experiencing homelessness, including, but not limited to, housing affordability challenges, the end of pandemic-related homelessness prevention programs, displacement due to natural disasters, and increased immigration.[100]

In the 119th Congress, the ROAD to Housing Act (S. 2651) includes provisions related to HUD's Homeless Assistance Grants, which provide housing and services for people experiencing homelessness. (These provisions are also included in the version of the ROAD to Housing Act that was included in Division I of the Senate-passed NDAA [S. 2296].) For example, the bill

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[94] HUD, *The 2024 Annual Homelessness Assessment Report (AHAR) to Congress*, December 2024, https://www.huduser.gov/portal/sites/default/files/pdf/2024-AHAR-Part-1.pdf (hereinafter, "*2024 AHAR*").

[95] People included in the PIT count are "homeless" as defined at 42 U.S.C. §11302. However, the PIT count does not include people considered homeless under two subcomponents of the definition: those who will imminently lose their housing or families with children and youth who may be considered homeless under other federal laws (Subsections (a)(5) and (a)(6) of 42 U.S.C. §11302).

[96] HUD notes 2007 as the year PIT count reporting began. See HUD, *The 2023 Annual Homelessness Assessment Report (AHAR) to Congress*, December 2023, p. 4, https://www.huduser.gov/portal/sites/default/files/pdf/2023-AHAR-Part-1.pdf. PIT counts also took place in 2005 and 2006. The reports can be found at https://www.huduser.gov/portal/datasets/ahar.html. But while PIT count data from 2007 to 2014 were adjusted with the release of the 2015 PIT count, data from the earlier reports were not adjusted. See HUD, *The 2015 Annual Homelessness Assessment Report (AHAR) to Congress*, November 2015, p. 8, https://www.huduser.gov/portal/sites/default/files/pdf/2015-AHAR-Part-1.pdf.

[97] *2024 AHAR*, p. 2.

[98] *2024 AHAR*, p. 2.

[99] Between 2013 and 2022, the overall PIT count did not increase or decrease by more than 3% from one year to the next.

[100] *2024 AHAR*, p. 3.

would create additional grantee flexibilities in the Continuum of Care program, and would provide authority for the HUD and U.S. Department of Health and Human Services (HHS) Secretaries regarding research and collaboration on housing and health, including housing-related supportive services. Further, an Executive Order released on July 24, 2025, would, among other provisions, direct the HUD and HHS Secretaries to prioritize certain interventions in their grant programs that serve people experiencing homelessness.[101]

For more information, see CRS In Focus IF12985, *Homelessness*.

Homeownership and Housing Finance

Some issues being considered by the 119th Congress involve mortgage finance. These include potential actions related to the status of Fannie Mae and Freddie Mac and the consideration, and ultimate enactment, of legislation to establish a partial claim loss mitigation option for mortgages guaranteed by VA.

Status of Fannie Mae and Freddie Mac

Fannie Mae and Freddie Mac, government-sponsored enterprises collectively referred to as *the Enterprises*, were chartered by Congress to provide liquidity for the single-family and multifamily mortgage markets. After purchasing mortgages from originators, the Enterprises guarantee the default risk associated with those mortgages. The Enterprises subsequently issue mortgage-backed securities (MBSs) linked to the performance of those underlying mortgages.[102] Investors who purchase the MBSs are guaranteed to have their initial principal investment returned, but they assume the risk that borrowers may choose to repay their mortgages ahead of schedule (e.g., by refinancing or selling the home), known as prepayment risk. The Enterprises play a large role in the mortgage market, backing over half of outstanding single-family mortgages.[103] The Federal Housing Finance Agency (FHFA), an independent federal government agency created by the Housing and Economic Recovery Act of 2008 (HERA, P.L. 110-289), regulates the Enterprises for prudential safety and soundness as well as to ensure that they meet their affordable housing mission goals.

In September 2008, during the financial crisis and accompanying rise in mortgage defaults and foreclosures, the Enterprises experienced losses that exceeded their statutory minimum capital requirement levels due to a high rate of mortgage defaults. The Enterprises subsequently agreed to be placed under conservatorship by FHFA, which now has the powers of management, boards, and shareholders.[104]

Concurrently with being placed under conservatorship, the U.S. Treasury provided financial support to the Enterprises through senior preferred stock purchase agreements (PSPAs), which are indefinite in duration, and stipulate that the Enterprises must pay dividends to Treasury rather than private shareholders while they are under conservatorship. In exchange for this funding commitment, Treasury immediately received $1 billion of senior preferred stock in each

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[101] Executive Order 14321, "Ending Crime and Disorder on America's Streets," 90 *Federal Register* 35817, July 24, 2025.

[102] In comparison to 30-year fixed rate mortgages, the Enterprises' MBS issuances have shorter (e.g., 10-year) maturities, thus making them relatively less interest rate sensitive, more liquid, and more attractive for investors to hold.

[103] FHFA, National Mortgage Database, Outstanding Residential Mortgage Statistics Dashboard, https://www.fhfa.gov/data/dashboard/nmdb-outstanding-residential-mortgage-statistics.

[104] For more information, see CRS Report R46746, *Fannie Mae and Freddie Mac: Recent Administrative Developments*.

Enterprise. Treasury also received long-term options (called warrants) for the purchase of 79.9% of the common stock of each Enterprise at a nominal cost.[105] Since entering conservatorship, the PSPAs have been amended numerous times in response to changing financial circumstances as well as to minimize possible taxpayer losses. On January 14, 2021, FHFA and Treasury amended the PSPAs' stipulations to allow the Enterprises to retain their earnings for the purpose of accumulating capital reserves in preparation for eventual release from conservatorship.[106]

As conservator, FHFA has focused primarily on managing the Enterprises' liquidity, operational, and credit risks. It has directed the Enterprises to standardize numerous processes to foster greater liquidity in the market for their MBSs, and to share with the private sector more of the credit risks linked to their single-family mortgage purchases.[107] Furthermore, HERA gave FHFA the authority to increase capital standards above the statutory minimum as necessary. In December 2020, FHFA finalized a rule establishing risk-based and leverage capital requirements for the Enterprises effective on February 16, 2021.[108] The capitalization requirements, which would be in place when the Enterprises exit conservatorship, are designed to increase their resiliency to a severe financial downturn.[109]

Past Congresses have considered comprehensive legislation to reform the housing finance system and resolve the Enterprises' conservatorship—for example, in the 113th Congress housing finance reform bills were reported out of committee in both the House and Senate[110]—but no such legislation has been enacted. In recent years, there has also been interest among policymakers in an administrative release from conservatorship.[111] The Trump Administration has expressed interest in returning the Enterprises back to their status as publicly traded firms.[112] When considering any release from conservatorship, policymakers may wish to consider whether the

[105] The warrants may be exercised in whole or in part at any time on or before September 7, 2028.

[106] FHFA, "FHFA and Treasury Allow Fannie Mae and Freddie Mac to Continue to Retain Earnings," press release, January 14, 2021, https://www.fhfa.gov/news/news-release/fhfa-and-treasury-allow-fannie-mae-and-freddie-mac-to-continue-to-retain-earnings.

[107] For more information on these initiatives, see CRS Report R46746, *Fannie Mae and Freddie Mac: Recent Administrative Developments*.

[108] FHFA, "Enterprise Regulatory Capital Framework," 85 *Federal Register* 243, December 17, 2020. The PSPAs were modified on January 14, 2021, to facilitate the Enterprises' ability to accumulate the necessary reserves to satisfy the 2020 capital rule's prudential requirements for routine mortgage purchases. See FHFA, "FHFA and Treasury Allow Fannie Mae and Freddie Mac to Continue to Retain Earnings," press release, January 14, 2021, https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-and-Treasury-Allow-Fannie-Mae-and-Freddie-Mac-to-Continue-to-Retain-Earnings.aspx.

[109] If, for example, a sudden and significantly sharp decline in house prices generated widespread *underwater* mortgages (held in MBS trusts and in their portfolios), the Enterprises' capital buffers could be insufficient to allow them to continue safe and sound operations. A mortgage is underwater when the home value declines far below the amount of the outstanding loan balance, providing the borrower with the financial incentive to default. See Neil Bhutta et al., *The Depth of Negative Equity and Mortgage Default Decisions*, Board of Governors of the Federal Reserve System, May 2010, http://www.federalreserve.gov/pubs/feds/2010/201035/201035pap.pdf.

[110] For more information on these bills in the 113th Congress, see archived CRS Report R43219, *Selected Legislative Proposals to Reform the Housing Finance System*. For additional discussion of these and other legislative housing finance reform proposals and proposals from other entities, see U.S. Government Accountability Office (GAO), *Housing Finance: Prolonged Conservatorships of Fannie Mae and Freddie Mac Prompt Need for Reform*, GAO-19-239, January 2019, https://www.gao.gov/assets/gao-19-239.pdf.

[111] See, for example, Congressional Budget Office (CBO), *Effects of Recapitalizing Fannie Mae and Freddie Mac Through Administrative Actions*, August 2020, https://www.cbo.gov/publication/56511.

[112] Victoria Guida, "Trump floats sale of government-controlled housing finance giants," *Politico*, May 21, 2025, https://www.politico.com/news/2025/05/21/trump-fannie-freddie-housing-finance-00364284; Katherine Hapgood and Sam Sutton, "Trump to consider Fannie and Freddie public offerings this year," *Politico*, August 8, 2025, https://www.politico.com/news/2025/08/08/fannie-mae-freddie-mac-public-offerings-trump-00499944.

Enterprises' capitalization levels are sufficient and, if so, whether they can be released without congressional action. In addition, any release from conservatorship would involve a number of policy questions, including, but not limited to, whether the federal government would provide an implicit or explicit guarantee on the Enterprises' obligations and the extent to which some initiatives that were begun during conservatorship would continue. Potential implications for the mortgage market and borrowers would depend on the details of any release.

Loss Mitigation Options for VA Home Loans

Legislation to create a statutory Partial Claim Program as a loss mitigation option for VA guaranteed loans was enacted in the 119th Congress as the VA Home Loan Program Reform Act (P.L. 119-31). It was passed by the House on May 19, 2025, by the Senate on July 16, 2025, and signed into law on July 30, 2025. Partial claim programs authorize federal agencies administering loan insurance programs to purchase and service a portion of a borrower's outstanding debt as a second lien on the property as a way to resolve a delinquency. Partial claim programs do not require that the second lien be paid off until the end of the original loan's term. Prior to enactment of P.L. 119-31, statutes governing both FHA- and USDA-insured loan programs authorized partial claim programs, but the VA guaranteed loan statute did not.[113]

VA's Partial Claim Program, as enacted in P.L. 119-31, permits the VA Secretary to purchase up to 30% of the unpaid principal balance of a loan if nonpayment occurred between March 1, 2020, and May 1, 2025, and up to 25% in other cases. Only one partial claim can be made per loan except in cases of nonpayment occurring during or 120 days after a natural disaster declared under the Stafford Act. Unlike the FHA and USDA programs, which are permanent, VA's ability to enter into new partial claims is scheduled to end five years after enactment of P.L. 119-31.

VA loss mitigation options have undergone changes in recent years. During the COVID-19 pandemic, some borrowers faced difficulty paying their mortgages due to illness, loss of employment, or other factors. Congressional and agency actions suspended foreclosures on federally backed single-family mortgages, including VA loans; VA's foreclosure moratorium extended through June 30, 2021.[114] Congressional and agency actions also instituted mortgage forbearance policies that allowed COVID-19-affected borrowers to miss mortgage payments for a period of time (amounts missed during a forbearance period must be paid back at a later date).[115] To assist borrowers who may have accumulated arrears during this time through forbearance or delinquency, VA enacted a partial claim payment program through regulation, citing existing statutory authority and the emergency circumstances of the pandemic.[116] The partial claim

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[113] See 42 U.S.C. §1715u(b) and 42 U.S.C. §1472(h)(14) for FHA and USDA, respectively.

[114] The CARES Act (P.L. 116-136) suspended foreclosures on federally insured single-family mortgages, including VA loans, for 60 days beginning March 18, 2020. After the CARES Act foreclosure moratorium expired, federal agencies, including VA, extended their foreclosure moratoriums administratively. The final VA extension lasted through June 30, 2021. VA, *Loan Circular 26-21-05, Extended Foreclosure and Eviction Relief for Borrowers Affected by COVID-19*, February 16, 2021, https://www.benefits.va.gov/HOMELOANS/documents/circulars/26_21_05.pdf.

[115] The CARES Act allowed borrowers with federally backed mortgages to request up to 360 days of forbearance due to a COVID-related hardship. VA allowed borrowers to request a COVID-19 forbearance through May 31, 2023. VA, *Loan Circular 26-23-08, Forbearance Timeframe Extension for Borrowers Affected by COVID-19*, April 21, 2023, https://www.benefits.va.gov/HOMELOANS/documents/circulars/26-23-08.pdf.

[116] The proposed rule stated that "unlike FHA and USDA, VA has never had explicit authority to establish a partial claim option. To help veterans recover from the financial hardships posed by the COVID-19 national emergency, VA looked to its loan refund authority in 38 U.S.C. §3732 and the broad powers authorized under 38 U.S.C. §3720. When read together, the text of these two sections authorizes VA to establish the COVID-VAPCP as an emergency measure." VA, "Loan Guaranty: COVID-19 Veterans Assistance Partial Claim Payment Program," 85 *Federal Register* 79146, (continued...)

payment program was in place from July 27, 2021, to October 28, 2022.[117] VA instituted another loss mitigation program, from May 31, 2024, to May 1, 2025, called the VA Servicing Purchase Program (VASP). Through VASP, VA purchased defaulted guaranteed loans and serviced them as part of its direct loan portfolio. Since the end of VASP, no interventions similar to either VASP or the regulatory partial claim payment program were available to veterans who defaulted on their guaranteed loans until enactment of P.L. 119-31.

Housing and Disaster Recovery

Some Members of the 119th Congress have expressed interest in the future of the Federal Emergency Management Agency (FEMA), which often provides housing assistance to disaster survivors when the President declares an emergency or major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act; P.L. 93-288, as amended).[118] Member offices and committees have introduced legislation to reform FEMA, with approaches ranging from making FEMA an independent, cabinet-level agency to abolishing the agency and/or providing disaster assistance as block grants to states.[119] An example of a bill to reform FEMA and its assistance programs is the FEMA Act of 2025 (H.R. 4669), which was ordered to be reported by the House Transportation and Infrastructure Committee in September 2025. Among other things, H.R. 4669, if enacted, would expand some forms of FEMA's post-disaster housing assistance.[120]

Additionally, President Trump issued Executive Order 14180, establishing the FEMA Review Council to advise and make recommendations to the President regarding reforming the agency.[121] The Administration has expressed its intent to have states take on a greater role in disaster preparedness, as well as response and recovery.[122] There is general agreement amongst stakeholders that reform to the agency is needed, but what that reform should entail is a matter of debate.[123]

December 9, 2020, https://www.federalregister.gov/documents/2021/08/23/2021-18001/loan-guaranty-covid-19-veterans-assistance-partial-claim-payment-program.

[117] 38 C.F.R. §§36.4800 et seq.

[118] Definitions for "emergency" and "major disaster" can be found at 42 U.S.C. §5122(1) and (2). For additional information on the types of Stafford Act declarations and assistance that may be made available, see CRS Report WMR10001, *CRS Guide to Federal Emergency Management*.

[119] For examples of bills introduced in the 119th Congress that would establish FEMA as an independent, cabinet-level agency, see the House and Senate versions of the FEMA Independence Act of 2025 (H.R. 2308 and S. 1246), and H.R. 4669, the FEMA Act of 2025. For examples of introduced legislation that would abolish FEMA and establish a block grant program for disaster relief, see the Sovereign States Emergency Management Act (H.R. 3347); see also the Disaster Response Flexibility Act of 2025 (H.R. 3251), which would establish an alternative block grant program for states.

[120] Selected examples of how H.R. 4669 would change FEMA's housing assistance programs include that it would remove an eligibility requirement that the home be uninhabitable, and would instead allow disaster-damaged homes to be eligible for assistance; and it would allow FEMA to provide Rental Assistance in a way that accounts for local post-disaster rent increases (see Committee Amendments available at https://plus.cq.com/bill/119/HR4669/amendments?0).

[121] Executive Order 14180, "Council to Assess the Federal Emergency Management Agency," 90 *Federal Register* 8743-8745, January 31, 2025. See also the U.S. Department of Homeland Security, "Federal Emergency Management Agency Review Council," web page, last updated July 18, 2025, https://www.dhs.gov/federal-emergency-management-agency-review-council.

[122] Executive Order 14239, "Achieving Efficiency Through State and Local Preparedness," 90 *Federal Register* 13267-13269, March 21, 2025.

[123] For information on FEMA's statutory authorities, regulations, and program-related policies with regard to the housing assistance the agency may provide to disaster survivors, see Stafford Act Section 408—Federal Assistance to (continued...)

FEMA's Individuals and Households Program (IHP)

FEMA's Individuals and Households Program (IHP) is a form of Individual Assistance through which FEMA may provide financial and direct assistance for housing, as well as financial assistance for other needs. The program covers uninsured or under-insured necessary expenses and serious needs that cannot otherwise be met.[124]

FEMA has many different types of IHP Housing Assistance that it can employ, depending on the housing needs of affected disaster survivors. Options may include various forms of Financial Housing Assistance (i.e., a grant of money) and Direct Housing Assistance (i.e., a place to live temporarily).[125] However, the IHP does not compensate disaster survivors for all losses and is not intended to be a substitute for insurance. Given that IHP assistance is intended to assist individuals who are uninsured or underinsured, questions may arise about the ability of disaster survivors to recover should there be changes to FEMA and/or its assistance programs. (For a discussion of insurance, see the "Housing and Insurance" section.)

The National Flood Insurance Program (NFIP)

Another form of disaster assistance that has a direct effect on the housing market is flood insurance from the NFIP, which is the primary source of flood insurance coverage for residential properties in the United States. In a community that participates or has participated in the NFIP, owners of properties in the mapped Special Flood Hazard Area (SFHA)[126] are required to purchase flood insurance as a condition of receiving a federally backed mortgage. Since the end of FY2017, the NFIP has operated under a series of short-term reauthorizations.[127]

If NFIP authorization expires, borrowers are not able to close, renew, or increase loans secured by property in an SFHA until the NFIP is reauthorized (unless they are able to buy private flood insurance). This could have an impact on housing markets in SFHAs. For example, when the NFIP lapsed for the whole of June 2010, estimates suggest that over 1,400 home closings were canceled or delayed each day, representing over 40,000 sales per month.[128]

During the FY2026 funding lapse that triggered a government shutdown in October and November 2025, authorization for the NFIP lapsed for 43 days. Early reports suggest that this lapse of NFIP authorization affected the housing market in some states.[129] One study suggested that an NFIP lapse could disrupt 3,619 closings daily (108,092 monthly), jeopardizing $1.6 billion

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Individuals and Households (referred to as the Individuals and Households Program [IHP])—codified at 42 U.S.C. §5174. FEMA's IHP regulations are codified at 44 C.F.R. §§206.110-206.120. FEMA's program guidance is the *Individual Assistance Program and Policy Guide (IAPPG)*, Version 1.1, FP 104-009-03, May 2021, https://www.fema.gov/sites/default/files/documents/fema_iappg-1.1.pdf (hereinafter "FEMA, *IAPPG*"). See also FEMA's emergency protective measures, which include emergency shelter, at 42 U.S.C. §5170b(a)(3)(B) and (J); and FEMA's *Public Assistance Program and Policy Guide*, Version 5.0, Effective January 6, 2025, FP 104-009-2, https://www.fema.gov/sites/default/files/documents/fema_pa_pappg-v5.0_012025.pdf.

[124] 42 U.S.C. §5174; 44 C.F.R. §206.110(a); and FEMA, *IAPPG*, p. 41.

[125] For additional information on the forms of IHP Housing Assistance, see CRS Report R47015, *FEMA's Individuals and Households Program (IHP)—Implementation and Considerations for Congress*.

[126] An SFHA is defined by FEMA as an area with a 1% or greater risk of flooding every year.

[127] See P.L. 118-83. For further information on NFIP reauthorizations, see CRS Insight IN10835, *What Happens If the National Flood Insurance Program (NFIP) Lapses?*

[128] Alexander P. Casadonte and John G. Nevius, "Insurance for Insurance: Adapting the National Flood Insurance Program to the Challenges of the Present and the Future," *Environmental Claims Journal*, vol. 24, no. 4 (November 5, 2012), https://www.tandfonline.com/doi/full/10.1080/10406026.2012.730931.

[129] See, for example, Michael Rauber, "Realtors Describe Shutdown's Ripple Effects," *Florida Realtors*, November 7, 2025, https://www.floridarealtors.org/news-media/news-articles/2025/11/realtors-describe-shutdowns-ripple-effects.

in daily transactions and affecting nearly 40% of the national housing market, with Florida the most at risk of market disruption.[130] There is some evidence that some affected by the NFIP lapse may have been able to purchase private flood insurance instead.[131] The National Association of Realtors issued a call on October 22, 2025, for information from its members on the impact they were experiencing from the shutdown.

P.L. 119-37, enacted on November 11, 2025, reauthorized the program through January 30, 2026.

There is evidence of reductions in property prices in homes subject to recurring flooding.[132] Some studies suggest that residential properties exposed to flood risk in the United States may be overvalued by $121 billion-$237 billion.[133] In the event of property price deflation, many homeowners would be at risk of losing value in their largest asset—their home—with low-income property owners potentially at greater risk.[134] The federal government could also be exposed to greater losses from flood risks on homes with federally backed mortgages.[135]

For more information on the NFIP, see CRS Report R44593, *Introduction to the National Flood Insurance Program (NFIP)*.

CDBG-DR

In response to some disasters, Congress has at times provided supplemental funding for long-term disaster recovery and other related purposes under the statutory authority of HUD's conventional CDBG. Such funding is commonly referred to as CDBG-DR.[136] Typically, CDBG-DR funds have been directed to jurisdictions with the most impacted and distressed areas that have federal emergency or disaster declarations under the Stafford Act.

CDBG-DR is not a program with a standing authorization or regulations. While CDBG-DR funds are subject to the CDBG program's statutory and regulatory requirements, each supplemental appropriation effectively has established a new CDBG-DR program, meaning the rules that govern the funding use and oversight may vary with HUD guidance accompanying each allocation. This process provides a certain amount of flexibility and allows Congress as well as HUD to adapt program requirements to the specific needs of affected communities. However,

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130 Michele Lawrie, "4,000 Daily Home Closings at Risk Amid Government Shutdown," *HomeAbroad Research*, October 6, 2025, https://homeabroadinc.com/research/govt-shutdown-home-sales-impact-statistics/.

131 Greg Allen, "For Private Insurance Companies, the Government Shutdown is Good for Business," *NPR*, October 16, 2025, https://www.npr.org/2025/10/16/nx-s1-5574322/government-shutdown-helps-private-flood-insurance-companies.

132 For example, see Benjamin J. Keys and Philip Mulder, *Neglected No More: Housing Markets, Mortgage Lending, and Sea Level Rise*, National Bureau of Economic Research, Working Paper 27930, Cambridge, MA, October 2020, p. 3, https://www.nber.org/system/files/working_papers/w27930/w27930.pdf; and Stephen A. McAlpine and Jeremy R. Porter, "Estimating Recent Local Impacts of Sea-Level Rise on Current Real-Estate Losses: A Housing Market Case Study in Miami-Dade, Florida," *Population Research and Policy Review*, vol. 27 (2018), pp. 871-895.

133 Jesse D. Gourevitch et al., "Unpriced Climate Risk and the Potential Consequences of Overvaluation in US Housing Markets," *Nature Climate Change*, vol. 13 (February 16, 2023), pp. 250-257.

134 Miyuki Hino and Marshall Burke, *Does Information About Climate Risk Affect Property Values?* National Bureau of Economic Research, Working Paper 26807, Cambridge, MA, February 2020, p. 4, https://www.nber.org/papers/w26807.

135 See, for example, CBO, *Flood Damage and Federally Backed Mortgages in a Changing Climate*, November 2023, https://www.cbo.gov/publication/59753.

136 For more information on CDBG-DR, see "CDBG-DR Overview" on the HUD Exchange website at https://www.hudexchange.info/programs/cdbg-dr/overview/.

some analysis suggests that it may also contribute to protracted rulemaking periods, inconsistent administrative time frames, and funding delays, posing coordination and planning challenges.[137]

There have been a number of proposals in recent Congresses to formally authorize CDBG-DR or a similar program to provide for long-term unmet disaster recovery needs. In the 119th Congress, CDBG-DR authorization provisions are included in the ROAD to Housing Act (Section 501 of S. 2651, as reported by the Senate Banking Committee, and Section 5501 of Division I of S. 2296, the Senate-passed NDAA).

For more information on CDBG-DR in general, see CRS Report R46475, *The Community Development Block Grant's Disaster Recovery (CDBG-DR) Component: Background and Issues*. For more information on proposals related to standardizing CDBG-DR processes or formally authorizing the program, see CRS Insight IN12191, *CDBG-DR Process Standardization: Selected HUD Actions and Legislative Proposals*.

[137] See, for example, GAO, *Disaster Recovery: Better Monitoring of Block Grant Funds is Needed*, GAO-19-232, March 25, 2019, https://www.gao.gov/products/gao-19-232; and HUD Office of Inspector General, *Final Audit Report – HUD's Office of Block Grant Assistance Had Not Codified the Community Development Block Grant Disaster Recovery Program*, Audit Report Number: 2018-FW-0002, July 22, 2018, https://www.hudoig.gov/reports-publications/report/final-audit-report-huds-office-block-grant-assistance-had-not-codified.

Appendix A. Housing Bills in the 119th Congress

This appendix lists housing-focused bills that have received floor or committee action (including hearings held) during the 119th Congress, according to a search performed on November 24, 2025. Given limitations of the search parameters used, it should not be considered exhaustive. Appropriations bills and broader bills that contain some housing-related provisions but are not primarily housing related are not included.

Table A-1. Housing Bills in the 119th Congress that Received Committee or Floor Action as of November 24, 2025

(ordered by chamber and bill number)

Bill Number	Bill Title	Status
House Bills		
H.R. 3230	Financial Institution Regulatory Tailoring Enhancement Act	Reported by the House Committee on Financial Services
H.R. 2808	Homebuyers Privacy Protection Act	Enacted as P.L. 119-36
H.R. 2130	Tribal Trust Land Homeownership Act of 2025	Subcommittee hearings held by the House Natural Resources Committee's Subcommittee on Indian and Insular Affairs
H.R. 1815	VA Home Loan Program Reform Act	Enacted as P.L. 119-31
H.R. 965	Housing Unhoused Disabled Veterans Act	Passed the House
H.R. 225	HUD Transparency Act of 2025	Reported by the House Committee on Financial Services
H.R. 224	Disabled Veterans Housing Support Act	Passed the House
Senate Bills		
S. 2651	ROAD to Housing Act of 2025	Reported by the Senate Committee on Banking, Housing, and Urban Affairs
S. 1467	Homebuyers Privacy Protection Act	Passed the Senate. (Identical to H.R. 2808, above, which was enacted into law.)
S. 723	Tribal Trust Land Homeownership Act of 2025	Reported by the Senate Committee on Indian Affairs.

Source: The bills and actions in this table are based on a CRS search conducted on https://www.congress.gov on November 24, 2025.

Notes: The search was limited to bills that had received committee or floor action and were (1) classified with the policy area "Housing and Community Development," or (2) classified with the policy area "Finance and Financial Sector" or "Native Americans" and certain housing-related subject terms. Bills where the only committee action listed as of the date of the search was committee referrals are excluded; bills where hearings were held are included. Some housing-related bills may not be captured by this search and therefore do not appear in this table. Some of the stand-alone measures shown in this table, or similar provisions, may be included in broader bills that receive(d) additional action, but such broader bills would not be reflected in this table unless they are primarily housing-related.

Appendix B. Housing Hearings in the 119th Congress

This appendix lists hearings that have been held during the 119th Congress that were primarily focused on housing-related issues, according to a search performed on November 24, 2025.

Table B-1. Housing-Related Hearings in the 119th Congress

(ordered by chamber and date)

Title	Committee and Subcommittee (if applicable)	Date
House Hearings		
HOME 2.0: Modern Solutions to the Housing Shortage	House Committee on Financial Services, Subcommittee on Housing and Insurance	July 16, 2025
Housing in the Heartland: Addressing Our Rural Housing Needs	House Committee on Financial Services, Subcommittee on Housing and Insurance	June 12, 2025
Expanding Choice and Increasing Supply: Housing Innovation in America	House Committee on Financial Services, Subcommittee on Housing and Insurance	May 14, 2025
Decades of Dysfunction: Restoring Accountability at HUD	House Committee on Financial Services, Subcommittee on Oversight and Investigations	April 8, 2025
Building Our Future: Increasing Housing Supply in America	House Committee on Financial Services, Subcommittee on Housing and Insurance	March 4, 2025
Senate Hearings		
Innovation in U.S. Housing: Solutions and Policies for America's Future	Senate Committee on Banking, Housing, and Urban Affairs, Subcommittee on Housing, Transportation, and Community Development	October 21, 2025
Housing Roadblocks: Paving a New Way to Address Affordability	Senate Committee on Banking, Housing, and Urban Affairs	March 12, 2025

Source: The hearings in this table are those identified by a CRS search conducted on ProQuest Congressional on November 24, 2025.

Notes: The search was limited to hearings that included certain housing-related terms in the hearing title. Hearings focused on the President's budget requests and those to consider specific bills were excluded, as were confirmation hearings for nominees in housing-related roles, such as the Secretary of HUD. Some relevant hearings may not be captured by this search because their titles did not include the search terms used or because they were not yet available on ProQuest Congressional as of the date of the search.

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