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Housing for the 21st Century Act

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Housing for the 21st Century Act

The Housing for the 21st Century Act (H.R. 6644) was passed by the House on February 9, 2026. The bill contains six titles comprising 38 sections, which address several housing policy topics as well as several banking topics. According to the committee report accompanying the reported version of the bill (H.Rept. 119-457), its purpose is "to make it easier to build and afford housing, including modernizing outdated government programs, lowering costs by removing unnecessary federal requirements, and increasing local flexibility over housing decisions." The version of the bill passed by the House differs from the version reported by the House Committee on Financial Services in several ways, including the addition of a new Title VI, "Strengthening Community Banks' Role in Housing."

Most of the sections in the Housing for the 21st Century Act are similar to previously introduced stand-alone bills. Additionally, many of the provisions in the Housing for the 21st Century Act are similar to provisions included in the Renewing Opportunity in the American Dream to Housing Act of 2025 (S. 2651; also known as the ROAD to Housing Act). Some sections are substantially identical, others have some similarities but notable differences. Some provisions are present in one bill and not the other. **Table A-1** of this report compares provisions from the Housing for the 21st Century Act to those in the ROAD to Housing Act.

On March 12, 2026, the Senate passed H.R. 6644 with the substitute amendment S.Amdt. 4308 under the short title of the 21st Century ROAD to Housing Act. This report does not discuss the Senate-passed version of H.R. 6644; for more information, see CRS Report R48922, *Comparison of House- and Senate-Passed Versions of H.R. 6644*, coordinated by Henry G. Watson.

SUMMARY

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Major Components of the Housing for the 21st Century Act

Title I contains seven sections concerning housing supply and housing development regulations. Several national indicators suggest that housing supply may be relatively low compared to demand, which can be a contributing factor to decreasing housing affordability. The sections in Title I would seek to publish land use policy guidelines and best practices, including for single-stair reform; establish a grant program for home building *pattern books*; adjust and streamline certain environmental review processes; adjust Federal Housing Administration (FHA) multifamily loan limits; and require a Government Accountability Office (GAO) study of workforce housing.

Title II contains five sections, four of which would make reforms to existing federal housing programs: the HOME Investment Partnerships program, the Community Development Block Grant, the Section 504 rural housing home repair program, and the Housing Choice Voucher program. A fifth section proposes a new competitive grant program to assist planning and implementation activities associated with affordable housing.

Title III contains three sections concerning manufactured housing, small-dollar mortgages, and an increased cap on bank investments to promote the public welfare.

Title IV contains eight sections, which propose to exclude veterans disability compensation when determining income for eligibility for certain housing programs, add a disclosure about potential eligibility for Department of Veterans Affairs (VA)-guaranteed loans to the Uniform Residential Loan Application for mortgages, increase interagency coordination on housing programs, create a new pilot program within the Family Self-Sufficiency program, make changes to HUD's housing counseling program, create a new eviction helpline grant program, create a new temperature sensor pilot program in public and assisted housing, and require GAO studies on housing for elderly/disabled persons, housing near superfund sites, and residential heirs property.

Title V contains two sections concerning congressional oversight of federal housing officials and Public Housing Agencies.

Title VI contains 13 sections, which propose to modify the classification of custodial and reciprocal deposits for certain banking institutions; modify examination and other requirements for certain banking institutions; modify processes regarding failed and insolvent banks; modify and review processes regarding new, rural, and small banking institutions; and provide budgetary savings by reducing the aggregate amount of surplus funds of the Federal Reserve banks.

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Introduction

Bill Status

The Housing for the 21st Century Act (H.R. 6644)—the subject of this report—shared many similarities with the ROAD to Housing Act of 2025, as passed by the Senate as an amendment to the National Defense Authorization Act for Fiscal Year 2026 (S.Amdt. 3901to S.Amdt. 3748 to S. 2296) on October 9, 2025, but also differed in substantive ways. On March 12, 2026, the Senate passed H.R. 6644 with the substitute amendment S.Amdt. 4308. The substitute amendment combined the titles of the ROAD to Housing Act and the 21st Century Housing Act: the "21st Century ROAD to Housing Act." For more information on the Senate-passed version of H.R. 6644, see CRS Report R48922, *Comparison of House- and Senate-Passed Versions of H.R. 6644*, coordinated by Henry G. Watson.

The 21st Century ROAD to Housing Act, as passed by the Senate, included several provisions from the Housing for the 21st Century Act, as passed by the House, although with substantive differences in some sections. The 21st Century ROAD to Housing Act lacks any corresponding sections to Sections 101, 103, 302,[1] 406, 407, 502, and all sections in Title VI of H.R. 6644, as passed by the House.

The 21st Century ROAD to Housing Act also included several provisions from the ROAD to Housing Act of 2025, although with substantive differences in some sections. For more information on the ROAD to Housing Act of 2025, see CRS Report R48732, *ROAD to Housing Act of 2025*, coordinated by Henry G. Watson.

The 21st Century ROAD to Housing Act also included two provisions not present in either the House-passed version of H.R. 6644 or the ROAD to Housing Act of 2025. Section 901 of the 21st Century ROAD to Housing Act regards the purchase of single-family homes by "large institutional investors," as defined in the section. Section 1001 of the 21st Century ROAD to Housing Act pertains to a central bank digital currency.[2]

This report discusses the Housing for the 21st Century Act as passed by the House. It does not include a discussion of the 21st Century ROAD to Housing Act substitute amendment that passed the Senate in March 2026.

Housing affordability is a perennial policy issue, and it has become one of greater 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.[3]

The Housing for the 21st Century Act (H.R. 6644) was introduced on December 11, 2025, ordered reported by the House Committee on Financial Services on December 17, 2025, reported on January 15, 2026 (H.Rept. 119-457), and passed by the House on February 9, 2026.[4] The bill contains a wide range of housing-related provisions over five titles and 25 sections, as well as an additional title containing 12 banking-related sections and a savings provision. Some provisions would create new federal housing programs, some would modify existing programs, and several would require new reports to be issued. According to the committee report accompanying the bill, its purpose is "to make it easier to build and afford housing, including modernizing outdated government programs, lowering costs by removing unnecessary federal requirements, and increasing local flexibility over housing decisions."

This report provides a brief overview and context for each of the sections of the Housing for the 21st Century Act, organized by title. Many of the provisions in this act are substantially similar to

[1] The 21st Century ROAD to Housing Act addresses small dollar mortgages, but in a different way.

[2] For more information on Central Bank Digital Currencies, see CRS In Focus IF11471, *Central Bank Digital Currencies*, by Marc Labonte and Rebecca M. Nelson.

[3] For more on the current state of U.S. housing markets, see CRS Report R48743, *Housing Issues in the 119th Congress*, coordinated by Katie Jones.

[4] The House Committee on Veterans' Affairs was discharged from further consideration of the bill on January 15, 2026.

provisions contained in other bills that have been introduced in the 119th Congress, and, where relevant, those similar measures are noted in the summaries of each section.

In addition, many provisions included in the Housing for the 21st Century Act are similar to provisions included in the Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025. That measure was introduced as S. 2651 and was unanimously approved and reported by the Senate Committee on Banking, Housing, and Urban Affairs on August 1, 2025. A largely similar version of the ROAD to Housing Act was separately incorporated into Division I of a Senate version of the National Defense Authorization Act for Fiscal Year 2026 (NDAA; S. 2296) by S.Amdt. 3901 to S.Amdt. 3748. The ROAD to Housing Act was not retained in the final enacted version of the NDAA (P.L. 119-60). While there are a number of similarities between provisions included in the Housing for the 21st Century Act and the ROAD to Housing Act, there are also a number of differences, including several sections that are included in one bill but not the other. This includes the banking provisions and savings provision contained in Title VI of the Housing for the 21st Century Act, which have no corresponding provisions in the ROAD to Housing Act. A comparison of those similarities and differences is provided in **Table A-1**.[5] For more details on the ROAD to Housing Act, see CRS Report R48732, *ROAD to Housing Act of 2025*, coordinated by Henry G. Watson.

Legislative Status

The version of H.R. 6644 engrossed in the House differs in several ways from the version of H.R. 6644 reported in the House. The version engrossed in the House adds or revises sunset dates for a number of pilot programs, strikes a provision that was enacted into law subsequent to the bill having been reported by committee, and removes a provision requiring a U.S. Government Accountability Office (GAO) study on a federal uniform residential building code. It also requires the U.S. Department of Housing and Urban Development (HUD) to review and update Build America, Buy America guidance with respect to the HOME program, rather than making Build America, Buy America provisions inapplicable to HOME-assisted housing activities. In addition, it adds a new Title VI, "Strengthening Community Banks' Role in Housing." Title VI contains 13 sections: 12 sections incorporate the text of banking-related bills that had previously been reported by the Financial Services Committee, and 1 provides budgetary savings. A score released by the Congressional Budget Office determined that the version of H.R. 6644 engrossed in the House would not increase the deficit.[6]

The section summaries provided in this report are based on the version of the Housing for the 21st Century Act that was engrossed in the House on February 9, 2026. Differences between the engrossed and reported versions of Titles I-V are noted in footnotes in the text of the report.

[5] Where comparisons are made between the Housing for the 21st Century Act and the ROAD to Housing Act, the version of the ROAD to Housing Act that was incorporated into the NDAA is used as the basis for comparison.

[6] Congressional Budget Office (CBO), "Legislation considered under suspension of the Rules of the House of Representatives during the week of February 9, 2026," February 4, 2026, https://www.cbo.gov/system/files/2026-02/suspensions_week_of_2_9_2026.pdf.

Summary of the Housing for the 21st Century Act (H.R. 6644)

Title I: Building Smarter for the 21st Century

Section 101. Housing Supply Frameworks

Local governments' zoning and land use policies have been identified by many housing market researchers as one of several contributing factors to an undersupply of housing, relative to demand, in some areas of the country. One federal approach to affecting local zoning and land use policy has been to provide guidance, technical assistance, and research to promote certain reforms designed to increase housing development. For this purpose, HUD has maintained the Regulatory Barriers Clearinghouse (RBC) since 2001, as required in statute (42 U.S.C. §12705d). The RBC collects, disseminates, and publishes research and examples pertaining to state and local regulations and policies that affect affordable housing.[7]

This section would abolish the RBC and require HUD's Assistant Secretary for Policy Development and Research to publish guidelines and best practices—in consultation with a task force consisting of academics, practitioners, and state and local officials—with respect to state and local zoning and land use policies (referred to in the bill as "zoning frameworks"). This section would also require a report from the HUD Assistant Secretary for Policy Development and Research describing the adoption of these guidelines and best practices by states and localities.

Similar guidelines and best practices to those required by this section were introduced in the 118th Congress in the Housing Supply and Innovation Frameworks Act (H.R. 10351). This section is also similar to provisions in the ROAD to Housing Act, although the latter included some additional provisions.

Section 102. Accelerating Home Building Grant Program

One factor that affects the speed of housing development is local permitting processes. Some local governments have adopted pre-reviewed designs, sometimes known by names such as *pattern books*, that allow for faster approval processes for certain types of housing.[8]

This section would authorize HUD to provide competitive grants to eligible entities, including local governments and Indian tribes, to adopt pre-reviewed designs for certain types of low- or mid-rise housing with no more than 25 dwelling units. Ten percent of any funds appropriated for

[7] See, for example, HUD, *Eliminating Regulatory Barriers to Affordable Housing: Federal, State, Local, and Tribal Opportunities*, January 19, 2021, https://www.huduser.gov/portal/publications/eliminating-regulatory-barriers-to-affordable-housing.html.

[8] For more information on pre-approved housing designs and examples of some localities that have used such designs, see Nani Wolf and Nicholas Julian, *From Blueprint to Reality: Harnessing the Power of Pre-Approved Housing*, National Association of Home Builders, May 23, 2024, https://www.nahb.org/-/media/NAHB/advocacy/docs/industry-issues/land-use-101/community-planning/pre-approved-housing-plans.pdf?rev=1305001032434f4897b44b99dc137816; and Robert Steuteville, "Cities moving ahead with pre-approved house plans," *Public Square, a Congress for New Urbanism (CNU) Journal*, February 7, 2024, https://www.cnu.org/publicsquare/2024/02/07/cities-moving-ahead-pre-approved-house-plans.

this purpose in a fiscal year would be set aside for rural areas. This grant program would sunset seven years after the date of enactment.[9]

This section is similar to the Accelerating Home Building Act of 2025 (S. 2361) and to H.R. 5907. It is also substantially similar to provisions in the ROAD to Housing Act.

Section 103. Federal Guidelines for Point-Access Block Buildings

Building codes provide rules and standards for the design, construction, alteration, materials, maintenance, and performance of buildings.[10] Building codes are adopted and enforced by state, local, tribal, and territorial (SLTT) entities. SLTTs typically adopt part or all of the model building codes developed and maintained by Standards Developing Organizations, such as the International Code Council (ICC). The ICC's 2024 model building code for new construction, the International Building Code (IBC), contains the requirement that buildings above three stories must contain at least two exit stairways. Another common model code, produced by the National Fire Protection Association (NFPA), contains the requirement that buildings above four stories must contain at least two exit stairways. Some researchers have advocated for amending building codes to allow multifamily dwellings to have a single stairway, even if they exceed three or four stories.[11] One design concept, *Single-stair Point Access Block,* proposes consolidating stair access to a single point within a residential or commercial block.[12] Proponents of *single-stair* building code reforms suggest that they would reduce construction costs and increase the feasibility of multifamily construction on small lots.[13] Other organizations, including the NFPA, have cautioned that double stairwells remain necessary for fire safety.[14]

This section requires the HUD Secretary to issue model code language, best practices, and technical guidance to SLTTs to facilitate the permitting of "point-access block residential buildings," defined as a single stairway for multifamily buildings not greater than six stories. This section further requires the HUD Secretary to encourage the ICC to incorporate provisions about point-access block buildings into the IBC, and permits the HUD Secretary to award competitive grants for point-access block pilot projects. This grant program would sunset seven years after the date of enactment.[15]

This section is nearly identical to the Point-Access Housing Guidelines Act of 2025 (H.R. 6345), with minor wording differences and the addition of a sunset provision. The ROAD to Housing Act contains no such provision.

[9] This sunset provision was not present in the reported version of the bill.

[10] For more information, see CRS Report R47665, *Building Codes, Standards, and Regulations: Frequently Asked Questions*, coordinated by Linda R. Rowan.

[11] See, for example, Alex Horowitz et al., *Small Single-Stairway Apartment Buildings Have Strong Safety Record*, The Pew Charitable Trusts, February 27, 2025, https://www.pew.org/en/research-and-analysis/reports/2025/02/small-single-stairway-apartment-buildings-have-strong-safety-record.

[12] Housing Affordability Institute, *Housing Policy Explainer: Point Access Block / Single-Stair Dwellings*, https://www.housingaffordabilityinstitute.org/policy-center/single-stair-dwellings/.

[13] Alex Horowitz et al., *Small Single-Stairway Apartment Buildings Have Strong Safety Record*, The Pew Charitable Trusts, February 27, 2025, https://www.pew.org/en/research-and-analysis/reports/2025/02/small-single-stairway-apartment-buildings-have-strong-safety-record.

[14] Jesse Roman, *Single Stair, Many Questions*, National Fire Protection Association, August 6, 2024, https://www.nfpa.org/news-blogs-and-articles/nfpa-journal/2024/08/06/the-single-exit-stairwell-debate.

[15] This sunset provision was not present in the reported version of the bill.

Section 104. Unlocking Housing Supply Through Streamlined and Modernized Reviews

HUD requires projects proposed for HUD assistance or insurance to undergo an environmental review to evaluate potential environmental impacts and to determine whether the projects meet federal, state, and local environmental standards.[16] HUD's environmental review process includes procedures for complying with the National Environmental Policy Act (NEPA; 42 U.S.C. §§4321 et seq.) and other environmental requirements, guidelines, and statutory obligations listed in 24 C.F.R. §50.4.[17]

NEPA generally requires federal agencies to evaluate the environmental impacts of a proposed federal agency action and to report those effects in an environmental document.[18] How a federal agency demonstrates compliance with NEPA depends on the level of the proposed action's impacts.[19] An agency is not required to prepare an environmental document for a proposed agency action if the action is excluded by statute or one of the agency's categorical exclusions (CEs), or if another agency's CE is applied consistent with 42 U.S.C. §4336c.[20]

Under current regulations, HUD *exempts* some project activities from specific environmental review requirements, including NEPA.[21] For exempt activities, the "responsible entity"—a unit of general local government such as a town, city, county, tribe, or state—does not have to undertake any action under NEPA or other federal environmental laws and authorities. However, even exempt activities must comply with certain requirements including airport runway clear zones and accident potential zones, coastal barrier resources, and flood insurance.[22]

If a project is not exempted, HUD or responsible entities comply with environmental review requirements under 24 C.F.R. Parts 50 and 58 by pursuing one of the following levels of review:[23]

- **Categorically excluded from NEPA.** For categorically excluded activities, the responsible entity does not have to prepare an environmental assessment (EA) or an environmental impact statement (EIS), except in extraordinary

[16] HUD's environmental review procedures are described in 24 C.F.R. Parts 50 and 58.

[17] For an overview of NEPA, see CRS In Focus IF12560, *National Environmental Policy Act: An Overview*, by Kristen Hite and Heather McPherron.

[18] 42 U.S.C. §4332(2)(C). Congress may also exempt specific agency actions from NEPA via statute. For example, in Section 316 of P.L. 93-288 (42 U.S.C. §5159), Congress exempted certain natural disaster and emergency response action from the requirements of NEPA by declaring that such actions were not "major federal actions significantly affecting the quality of the human environment." Additionally, HUD's Office of General Counsel may determine that a program's activities are not federal actions to which NEPA, or other provisions of law that further the purposes of NEPA, apply (see, for example, HUD Notice CPD-16-14, "Requirements for Housing Trust Fund Environmental Provisions," August 8, 2016).

[19] 42 U.S.C. §4336(b) requires that an agency issue an Environmental Impact Statement for a proposed agency action that has a reasonably foreseeable, significant effect on the quality of the human environment, or an Environmental Assessment for a proposed agency action where the effects are unknown or reasonably foreseeable effects are not significant (unless a categorial exclusion [CE] applies).

[20] 42 U.S.C. §4336(a)(2). Further, 42 U.S.C. §4336e(1) defines a "categorical exclusion" as a category of actions that a federal agency has determined normally does not significantly affect the quality of the human environment. For additional information related to legislative CEs, see CRS Report R48595, *Legislative Categorical Exclusions Under the National Environmental Policy Act*, by Heather McPherron.

[21] For a list of activities for which HUD exempts responsible entities from compliance with environmental review requirements, see 24 C.F.R. §58.34.

[22] 24 C.F.R. §58.6.

[23] HUD has made available a guide to the level of environmental review on the HUD Exchange website: https://www.hudexchange.info/programs/environmental-review/orientation-to-environmental-reviews/#level-of-review.

circumstances.[24] Some categorically excluded activities are subject to the other related federal environmental laws and authorities listed in 24 C.F.R. §§50.4 or 58.5 (CEST) and others are not (CENST).[25] These other related authorities listed in 24 C.F.R. §§50.4 or 58.5 include environmental requirements, guidelines, and statutory obligations such as the National Historic Preservation Act (16 U.S.C. §§470 et seq.), the Endangered Species Act (16 U.S.C. §§1531 et seq.), and HUD environmental standards specified in 24 C.F.R. Part 51, among others.

- **Environmental Assessment.** Activities not exempt or categorically excluded from NEPA must complete an EA.[26] If, based on the analyses within the EA, HUD or the responsible entity determines that the project will not result in a significant impact on the quality of the human environment, it documents that determination in a Finding of No Significant Impact (FONSI).
- **Environmental Impact Statement.** If it is evident without preparing an EA that a project may result in significant impacts or if the EA concludes in a "finding of significant impact," HUD or the responsible entity must prepare an EIS and document its finding in a "record of decision."[27]

Some stakeholders have argued that environmental reviews add costs and delays to housing development, while others argue that such reviews are necessary to protect both the environment and human health.

This section would modify the environmental review requirements for several housing activities. It would categorically exclude seven activities that may have previously required an EA or an EIS, although these activities would remain subject to related federal environmental laws and authorities (i.e., CEST). One of the activities that would be newly excluded by this section is "infill projects consisting of new construction, rehabilitation, or development of residential housing units."[28]

This section would also reclassify four current CEST activities—categorically excluded under 24 C.F.R. §§50.20 and 58.35(b)—such that they no longer would require a review or compliance determination under related federal environmental laws and authorities (i.e., CENST).[29] These reclassified categorical exclusions would only apply "if such activities do not materially alter environmental conditions and do not materially exceed the original scope of the project."

[24] The presence of extraordinary circumstances indicates that, despite the typical lack of significant environmental impact associated with the action, the specific context or nature of the proposal may lead to unforeseen or elevated environmental effects (e.g., impacts to federally listed species, historic resources, or sensitive ecosystems). If extraordinary circumstances are present and the effects to those resources cannot be avoided or mitigated, the agency may have to prepare an EA or EIS.

[25] For a list of CENST activities, see 24 C.F.R. §§50.19 and 58.35(a). For a list of CEST activities, see 24 C.F.R. §§50.20(a) and 58.35(b).

[26] Regulations specifying HUD's procedures for preparing an EA are in Subpart E of both 24 C.F.R. Parts 50 and 58.

[27] Regulations specifying HUD's procedures for responsible entity preparation of an EIS are in 24 C.F.R. Part 58, Subpart F.

[28] "Infill project" is defined in this section as a project that occurs within the geographic limits of a municipality, is adequately served by existing utilities and public services as required under applicable law, is located on a site of previously disturbed land of not more than five acres and substantially surrounded by residential or commercial development, will repurpose a vacant or underutilized parcel of land or a dilapidated or abandoned structure, and will serve a residential or commercial purpose.

[29] HUD's current CENST activities are listed in 24 C.F.R. §§50.19 or 58.35(b). Note that there are slight differences in the wording used to describe these activities between the text of this section and the current section of the C.F.R.

The section would also exempt responsible entities from HUD's environmental review requirements for eight additional housing activities.[30] Seven of these newly exempted housing activities are currently CENST activities categorically excluded from NEPA review under 24 C.F.R. §58.35(b) and not subject to related federal environmental laws and authorities.[31]

For some projects, including most HUD grant programs, program legislation allows a responsible entity to assume responsibility for the environmental review. [32] These projects are regulated by 24 C.F.R. Part 58, and are commonly referred to as *Part 58* projects. When program legislation does not permit responsible entities to assume responsibility—such as for Federal Housing Authority (FHA) housing programs, Section 202 housing projects, and Section 811 housing projects—HUD is responsible for the environmental review. These projects are regulated by 24 C.F.R. Part 50, and are commonly referred to as *Part 50* projects.[33] Whether HUD or a responsible entity is accountable for the environmental review is specified in the Notice of Funding Availability, program regulations, or legislation relevant to the project.[34]

In addition to the changes described above, this section would allow the HUD Secretary to designate "assistance administered by the Secretary" as a "special project" for the purposes of NEPA and other provisions of law that further the purposes of NEPA.[35] Special projects are statutorily subject to environmental review under 42 U.S.C. §3547, but responsibility for the environmental review for special projects may be assumed by a responsible entity under 24 C.F.R. Part 58. This section would give the HUD Secretary flexibility to redesignate certain Part 50 projects as Part 58 projects, thereby allowing responsible entities (rather than HUD) to assume responsibility for environmental review of those projects. CRS is unable to determine exactly what activities would be covered by "assistance administered by the Secretary."

This section also would codify that Indian tribes may be responsible entities for the purposes of assuming environmental review obligations. Under current regulation, HUD permits Indian tribes, Alaska Native Villages, the Department of Hawaiian Home Lands, and Regional Corporations in Alaska to be responsible entities.[36]

The provisions concerning the reclassification of housing activities to modify environmental review requirements are substantially similar to the Unlocking Housing Supply Through Streamlined and Modernized Reviews Act (H.R. 4660/S. 2390). The provisions concerning special projects and Indian tribes are substantially similar to the Better Use of Intergovernmental

[30] Responsible entities are exempted from NEPA compliance and a review or compliance determination under 24 C.F.R. §58.5; however, they are still subject to additional HUD requirements under 24 C.F.R. §58.6. Further, Section 208(b)(1)(A) refers specifically to an exemption for responsible entities under 24 C.F.R. §58.34. Part 50 projects where HUD is undertaking similar actions are not similarly exempted by S. 2651.

[31] The eighth activity that would be newly exempted from NEPA review by this section is "Emergency homeowner or renter assistance for HVAC, hot water heaters, and other necessary uses of existing utilities required under applicable law." There are slight differences in the wording used to describe these activities between the text of this section and the current section of the C.F.R.

[32] For a list of activities and projects where specific statutory authority exists for recipients or other responsible entities to assume environmental responsibilities, see 24 C.F.R. §58.1(b).

[33] 24 C.F.R. §50.2(a) defines "Project" for the purposes of Part 50 as "an activity, or a group of integrally-related activities, undertaken directly by HUD or proposed for HUD assistance or insurance."

[34] For more information about Part 50 and Part 58 projects, see "Orientation to Environmental Review" on HUD's website: https://www.hudexchange.info/programs/environmental-review/orientation-to-environmental-reviews/#part-50-and-part-58 (accessed September 17, 2025).

[35] HUD has interpreted "other provisions of law that further the purposes of NEPA" as those specified in 24 C.F.R. §58.5.

[36] See 24 C.F.R. §58.2(7) for a definition of "responsible entity."

and Local Development for Housing Act (H.R. 4810/S. 2391). In addition, this section is substantially similar to provisions in the ROAD to Housing Act.

Section 105. Federal Housing Agency Application of Environmental Reviews

HUD and the U.S. Department of Agriculture (USDA) administer a number of housing programs that have similar structures and are sometimes used in conjunction with one another. This section would require the two agencies to enter into a Memorandum of Understanding (MOU) to review and potentially revise the environmental review process and requirements across the two agencies and to explore the feasibility of joint physical inspections for properties assisted by both agencies.[37]

The provisions of this section are similar to the Streamlining Rural Housing Act of 2025 (H.R. 4989/S. 2423). These provisions are also nearly identical to provisions in the ROAD to Housing Act, with only a few changes. One change is that the Housing for the 21st Century Act incorporates the provisions of the Rural Housing Regulatory Relief Act (H.R. 6327) to exempt USDA rural housing projects that meet the definition of "infill housing" from any study or report on the environmental effects of such assistance. The ROAD to Housing Act contains no such provision.

Section 106. Multifamily Loan Limits

FHA administers a number of programs to insure mortgages for the construction, acquisition, rehabilitation, or refinancing of multifamily apartment buildings.[38] These programs are subject to mortgage limits set in respective program statutes. The underlying program statutes allow HUD to increase the maximum mortgage amounts in high-cost areas, subject to certain limits.[39] Separately, the law directs HUD to adjust certain multifamily mortgage limits for inflation each year, using the percentage change in the Consumer Price Index for All Urban Consumers (CPI–U).[40] Some observers have argued that, despite these inflation adjustments and exceptions for high-cost areas, the mortgage limits have not kept up with the costs of developing multifamily housing in many areas.[41] Past HUD budget justifications have called for adjustments to the loan limits.[42]

This section would increase the multifamily loan limits for several FHA multifamily programs. It would also require HUD to use the Census Bureau's Price Deflator Index of Multifamily

[37] In the reported version of the bill, this section would have additionally established an advisory working group comprising various stakeholders to inform the MOU; that text was not included in the version that passed the House.

[38] For descriptions of different FHA multifamily mortgage insurance programs, see https://www.hud.gov/hud-partners/multifamily-programs.

[39] For example, see FHA Mortgagee Letter 2025-11, *Annual Revisions to Base City High-Cost Percentage and High-Cost Areas Annual Indexing of MAP Guide's Substantial Rehabilitation and Large Loan Risk Mitigation Thresholds*, April 14, 2025, identifying high-cost areas where projects could qualify for such exceptions.

[40] 12 U.S.C. §1712a. For inflation adjustments for calendar year 2025, see HUD, "Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs," 89 *Federal Register* 107155-107156, December 31, 2024, https://www.govinfo.gov/content/pkg/FR-2024-12-31/pdf/2024-31184.pdf.

[41] See, for example, Mortgage Bankers Association, "FHA: A Critically Important Program for Financing Multifamily and Residential Healthcare Properties," February 2025, https://www.mba.org/advocacy-and-policy/commercial/multifamily/policy-issues/FHA_HUD_Multifamily_Policy (accessed February 2, 2026).

[42] See page 28-8 of HUD's FY2024 budget justification at https://archives.hud.gov/budget/fy24/2024_CJ_Program_-_FHA.pdf and page 29-14 of HUD's FY2025 budget justification at https://archives.hud.gov/budget/fy25/2025_CJ_Program_-_FHA.pdf.

Residential Units Under Construction as the index used to calculate the annual inflation adjustment rather than the CPI-U.

This section is similar to the Housing Affordability Act (S. 1527/H.R. 6132). The ROAD to Housing Act also includes a section that addresses the FHA multifamily loan limits, but it does so differently.

Section 107. GAO Study on Workforce Housing[43]

Congress has demonstrated interest in federal programs that would support *workforce housing*. Workforce housing is generally understood to be housing that is affordable and available for a population distinct from either low-income or upper-income households, but the term is not defined in federal statute or regulation.[44] The federal government has historically targeted limited housing resources to low-income households, although some existing federal housing programs are available to households with earnings above the low-income threshold. This section would require GAO to conduct a study and submit a report to Congress regarding housing affordability for middle-income households, the eligibility of middle-income households for existing federal housing programs, recommendations for a definition of "workforce housing," and policy options for workforce housing development. The section defines "middle-income households" as those with incomes between 80% and 120% of area median family income, as determined by HUD.[45]

There is no similar provision in the ROAD to Housing Act.

Title II: Modernizing Local Development and Rural Housing Programs

Section 201. HOME Reform

The HOME Investment Partnerships (HOME) program provides formula funds to states and eligible local governments to be used for a 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. States and localities that meet certain requirements to receive their own allocations of HOME funds are referred to as participating jurisdictions (PJs). Each participating state and locality must reserve at least 15% of its HOME funding for qualified Community Housing Development Organizations (CHDOs), which are nonprofit organizations that meet certain legal and organizational requirements. While there have been some legislative and regulatory changes over the years, the program has not been reauthorized by Congress since 1992 as part of the Housing and Community Development Act of 1992 (P.L. 102-550).

This section proposes several reforms to the HOME program. Among other changes, the section would do the following:

[43] In the reported version of the bill, this section is titled "GAO studies."

[44] Some scholars have criticized the term *workforce housing* for marginalizing and stigmatizing lower-income households, many of whom participate in the workforce. See, for example, Alexander Hermann et al., *Subsidizing the Middle: Policies, Tradeoffs, and Costs of Addressing Middle-Income Affordability Challenges*, Joint Center for Housing Studies, July 2024, https://www.jchs.harvard.edu/research-areas/working-papers/subsidizing-middle-policies-tradeoffs-and-costs-addressing-middle.

[45] The reported version of the bill would have additionally required a report regarding the costs and benefits associated with establishing a federal uniform residential building code. This provision, not present in the engrossed version of the bill, was similar to the Affordable Housing Through Common-Sense Standards Act (H.R. 6772).

- modify the board representation requirements for CHDOs;
- increase the maximum income eligibility for HOME-assisted housing for homeownership from 80% to 100% of the area median family income, as determined by HUD;
- eliminate the preference for rehabilitation activities stated in the statute;
- expand eligible uses for HOME dollars for jurisdictions that do not receive direct assistance under the Community Development Block Grant (CDBG);
- adjust the maximum amount of HOME dollars that can be applied to each assisted unit by eliminating references to the discontinued Section 221(d)(3) mortgage insurance program for elevator-type projects and the 140% cap on the amount by which per-unit subsidy limits can be increased in high-cost areas;[46]
- codify that HOME rent limits do not apply to rental assistance or subsidy payments made by the Housing Choice Voucher (HCV) program;[47]
- increase the maximum initial purchase price for HOME-assisted housing for homeownership from 95% to 110% of the area median purchase price, as determined by HUD;
- permit resale requirements for HOME-assisted housing for homeownership to be satisfied by long-term affordability mechanisms such as purchase options, rights of first refusal, and other preemptive rights to purchase housing by entities including (but not limited to) Community Land Trusts; this section would also provide a new definition of "Community Land Trust";
- 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;
- allow grantees to use funds reserved for CHDOs for other eligible activities after 24 months, and eliminate the deadline that HOME funds be committed to a specific project within 24 months of allocation; these commitment deadlines have sometimes, but not always, been waived in annual appropriations acts;[48]

[46] 42 U.S.C. §12742(e)(1) directs the HUD Secretary to establish per-unit subsidy limits not less than those in the Section 221(d)(3) program. After the Section 221(d)(3) program was discontinued in 2013, HUD published an interim policy in 2015 that identified the Section 234 Condominium Housing Insurance program as an alternative. See Notice CPD-15-003, March 17, 2015, https://www.hud.gov/sites/documents/15-03cpdn.pdf. In a final rule, HUD determined that Congress intended the reference to Section 221(d)(3) program limits to establish a floor, rather than a cap, for the maximum subsidy amount. For more information, see CRS Report R48422, *HOME Program 2025 Final Rule: In Brief*, by Henry G. Watson.

[47] Current regulation states that if a tenant is using a federal, state, or local rental assistance or subsidy program, the project owner may accept the total of the tenant's rent contribution and the full permissible assistance or subsidy payment, even if that total exceeds the maximum HOME rent. In other words, the final rule states that HOME rent limits do not apply to rental assistance or subsidy payments made by federal, state, or local programs. This regulation stems from the Housing and Economic Recovery Act of 2008 (P.L. 110-289).

[48] Other deadlines would still apply to the use and expenditure of HOME funds. For example, grantees are required to repay any funds spent on projects that are not completed within four years of the date the funds were committed, and HOME funds that are not expended within five years of the end of the period of availability specified in appropriations acts (typically three years) revert to the U.S. Treasury.

- exempt additional categories of HOME activities from environmental review under NEPA;[49] the section would also require the HUD Secretary to take steps to limit "duplicative" environmental reviews, coordinate environmental review responsibilities with other federal agencies, and recognize prior reviews that are substantially similar;
- require HUD to complete a review of the implementation of the Build America, Buy America Act (41 U.S.C. §8301 note) with respect to the HOME program, issue updated guidance on that subject, and submit a report with the results to the House Financial Services Committee and the Senate Banking Committee;[50]
- exempt certain HOME-assisted projects from Section 3 contracting requirements;[51]
- allow the HUD Secretary to make PJs that have "failed to meet or comply with the requirements of this title" ineligible to receive reallocations of funds;
- allow periods of affordability for HOME-assisted rental housing to terminate if "existing affordable housing is no longer financially viable";
- exempt small-scale housing (projects with fewer than four units) from the Low HOME Rent requirement,[52] energy efficiency standards, and certain tenant selection requirements; and
- raise the minimum allocation for newly qualifying local jurisdictions—and the bonus allocation to states in which no local jurisdiction receives its own allocation—from $500,000 to $750,000, without regard to congressional appropriations.[53]

This section is similar, but not identical, to the HOME Reform Act of 2025 (H.R. 5878). The ROAD to Housing Act also proposes reforms to the HOME program. There are some overlapping HOME reform provisions between the Housing for the 21st Century Act and the ROAD to Housing Act, but also many provisions that are only present in one bill or the other.

[49] The Housing for the 21st Century Act would additionally reclassify several housing activities for the purposes of NEPA (see the discussion of Section 104).

[50] The reported version of the bill would have exempted all HOME-assisted housing activities (excluding infrastructure improvements) from the requirements of the Build America, Buy America Act. The text of this provision in the engrossed version of the bill is identical to Section 2 of the Affordable Housing Supply Chain Clarity Act (H.R. 7344).

[51] See Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701u).

[52] Low HOME Rent requirements state that at least 20% of HOME-assisted units in a project must have rents that do not exceed 30% of 50% of area median income. These Low HOME Rent units must be occupied by families with incomes not exceeding 50% of area median income. Under current regulation, this requirement only applies to projects with five or more HOME-assisted units (24 C.F.R. §92.252(a)(2)).

[53] Under current statute, local governments and consortia that are eligible for a formula allocation of more than $500,000 but less than $750,000 are only able to become PJs if they contribute at least $750,000 in total to affordable housing activities, making up the difference with their own funds, resources from their state, or a share of their state's formula allocation (see 42 U.S.C. §12746(3)(A)). This section would effectively nullify that provision by limiting allocations to (1) current PJs and (2) newly qualifying local jurisdictions eligible for a formula allocation of no less than $750,000. The section would also eliminate the requirement that the minimum allocation be lowered to $335,000 for years in which Congress appropriates less than $1.5 billion to the program. Currently eligible PJs shall remain PJs for subsequent fiscal years, except as provided by 42 U.S.C. §12746(9), the conditions of which would not be adjusted by this section.

Section 202. Community Development Fund Amendments

The CDBG is a formula grant provided to states and certain localities. Eligible CDBG activities fall into five general categories: planning and administrative activities, public works and public facilities, housing-related activities, public services, and economic development.[54] New construction of housing is not an eligible activity unless carried out by qualified Community-Based Development Organizations (CBDOs) as part of larger projects, or unless statutory requirements are waived for disaster recovery. State and local grantees are required to submit a Consolidated Plan that details their housing and community development needs, including any public policies that may constitute barriers to affordable housing.[55]

This section would make new construction of housing an eligible CDBG activity. Under the section, new housing construction must qualify as affordable housing under the HOME program (42 U.S.C. §12745) and may not account for more than 20% of a grantee's CDBG funding allocation.

This section would also require CDBG grantees to submit to HUD information about whether they have adopted certain land use policies in the preceding five-year period, and any plans they have to adopt and implement these policies in the future. The submissions "shall not be binding with respect to the use or distribution" of CDBG grant dollars. The land use policies listed in this section include increasing density in residential zoning, streamlining or shortening permitting processes and timelines, limiting impact fees, establishing density bonuses, providing property tax abatements, and donating vacant land.

In addition, the section would require CDBG grantees to maintain, on a publicly accessible website, a searchable database that identifies all parcels of undeveloped land owned by the grantee.

Previous legislation has proposed making new housing construction an eligible CDBG activity, including the Strengthening Housing Supply Act of 2025 (H.R. 5077). The land use policy reporting requirements in this section are similar to those in the Identifying Regulatory Barriers to Housing Supply Act (H.R. 4659). There is no similar provision in the ROAD to Housing Act.

Section 203. Grants for Planning and Implementation Associated with Affordable Housing

One federal approach to affecting zoning and land use policy has been to fund state and local planning activities. This section would establish a new competitive grant pilot program to assist planning and implementation activities associated with affordable housing. Eligible grantees would be states, insular areas, CDBG entitlement communities, and regional planning agencies. Eligible activities would include planning, land use policy reforms, housing construction, and natural hazard mitigation projects for government buildings. The section does not authorize funding for these purposes, and would sunset five years after enactment.[56]

The grant program proposed by this section would be comparable to the Pathways to Removing Obstacles to Housing (PRO Housing) competition. The PRO Housing competition awarded competitive grants to state and local governments, metropolitan planning organizations, and

[54] For more information, see CRS Report R43520, *Community Development Block Grants and Related Programs: A Primer*, by Joseph V. Jaroscak.

[55] For more information, see CRS Report R48073, *HUD's Consolidated Planning Process: An Overview*, coordinated by Joseph V. Jaroscak.

[56] The sunset provision was not included in the reported version of the bill.

multijurisdictional entities. Eligible activities per the FY2024 Notice of Funding Opportunity (NOFO) included planning, infrastructure, development, and preservation actions, including new construction.[57] This program was established in 2023 by the Consolidated Appropriations Act, 2023 (P.L. 117-328) and derives its authority from Title I of the Housing and Community Development Act of 1974 (42 U.S.C. §§5301 et seq.). Congress funded the program in FY2023, FY2024, FY2025, and FY2026.[58]

The Pro-Housing Act of 2025 (H.R. 891) would authorize a similar competitive grant program. There is no similar provision in the ROAD to Housing Act.

Section 204. Rural Housing Service Program Improvements

USDA's Rural Housing Service administers a number of housing programs in rural areas. One of these programs, the Section 504 home repair program, provides loans and grants to very low-income homeowners in rural areas to address home repair needs. This section would revise the Section 504 home repair program to (1) increase income eligibility limits for Section 504 loans, and (2) increase the dollar threshold at which a loan is to be secured by a lien on the property rather than only a promissory note. These policy changes have been proposed in broader rural housing program reform bills, including the Rural Housing Service Reform Act (H.R. 4957/S. 1260), as well as the ROAD to Housing Act. While these other bills would have reserved at least 60% of Section 504 loan funding for the lowest income applicants, the Housing for the 21st Century Act does not include such language.

This section would also require the Secretary of Agriculture to release annual reports on rural housing programs to Congress and on their website and would require a GAO report on rural housing technology needs. Similar reporting requirements were included in the ROAD to Housing Act.

While the ROAD to Housing Act included versions of these provisions, it also included a number of additional changes to USDA rural housing programs that are not included in the Housing for the 21st Century Act.

Section 205. Choice in Affordable Housing

Before a family can move into a rental housing unit with an HCV, the unit must first be inspected by the local Public Housing Authority (PHA) that administers the HCV program to ensure it meets minimum federal physical quality standards. Assuming it passes inspection, the unit must be reinspected annually thereafter as a condition of ongoing assistance. This requirement was revised by the Housing Opportunity Through Modernization Act (HOTMA; P.L. 114-201) to allow a third-party inspection associated with another housing assistance program to temporarily meet the initial inspection requirements of the HCV program, allowing families to move in to units prior to the completion of the PHA inspection (which is still required).

This section would make a number of changes to the initial inspection requirements for the HCV program. It would allow for remote inspections in rural or small areas and create a mechanism for landlords newly participating in the HCV program to have their units pre-inspected. It would

[57] HUD, "FY24 Pathways to Removing Obstacles to Housing (PRO Housing)," August 13, 2024, https://www.grants.gov/search-results-detail/356013.

[58] For FY2023, see P.L. 117-328, Division L, Title II. For FY2024, see P.L. 118-42, Division L, Title II. Due to the full-year CR, the PRO Housing competition was funded at FY2024 levels in FY2025; see P.L. 119-4. For FY2026, see H.R. 7148, Division D, Title II. As of the cover date of this report, HUD has not released an FY2025 NOFO for the PRO Housing competition.

further direct that PHAs provide a list of any such pre-inspected units to tenants when they are selected to participate in the HCV program. It would also allow inspections under the Low-Income Housing Tax Credit program, the HOME program, or various Rural Housing Service programs to fully satisfy the inspection requirements of the HCV program, subject to certain conditions, eliminating the current requirement for a PHA inspection in these circumstances.

These provisions are similar to a section of the Choice in Affordable Housing Act of 2025 (H.R. 1981/S. 890) and to provisions in the ROAD to Housing Act.

Title III: Expanding Manufactured and Affordable Housing Finance Opportunities

Section 301. Manufactured Housing Innovations

Manufactured housing is a type of housing that is constructed in a factory and transported to a home site for installation. Manufactured housing typically costs less than site-built housing due to smaller home sizes and lower costs per square foot.[59] While most housing is subject to state and local building codes,[60] manufactured homes are subject to a national building code: HUD's Manufactured Housing Construction and Safety Standards (often referred to as the *HUD Code*).[61] HUD was directed to develop these standards by the National Manufactured Housing Construction and Safety Standards Act of 1974. The standards first went into effect in 1976, and HUD updates them periodically with input from the Manufactured Housing Consensus Committee.

The statutory definition of a "manufactured home" includes the requirement that the home is "built on a permanent chassis" (a chassis is the steel frame that provides the base of a vehicle). Some observers have argued that the requirement for the chassis to be permanent is outdated and unnecessary because most manufactured homes are not moved once they have been installed on a home site. Allowing the chassis to be removed may facilitate a greater range of design and siting options for manufactured homes, such as basements or multiple stories, though it may also raise questions about distinctions between manufactured homes and other types of factory-built homes (such as modular homes).

This section would amend the statutory definition of a "manufactured home" to provide that the home may be "with or without a permanent chassis." It would direct HUD to issue revised standards for manufactured homes built without a permanent chassis. It would also establish procedures for a state to certify to the HUD Secretary that it has amended its laws and regulations to treat manufactured homes without a permanent chassis the same as those with a permanent chassis. If a state did not submit such a certification by the date required, manufactured homes without a permanent chassis that are constructed after the date of enactment would be prohibited from being manufactured, installed, or sold in the state. The section also includes language that would specify that HUD has the primary authority to establish manufactured home construction

[59] See, for example, Christopher Herbert et al., *Comparison of the Costs of Manufactured and Site-Built Housing*, Joint Center for Housing Studies of Harvard University, July 2023, https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_pew_report_1_updated_0.pdf.

[60] State and local building codes apply to site-built housing as well as other types of factory-built housing, such as modular homes.

[61] HUD's regulations related to manufactured housing are at 24 C.F.R. §§3280, 3282, 3284, 3285, 3286, 3288, and 3800, https://www.ecfr.gov/current/title-24/subtitle-B/chapter-XX. The construction and safety standards, specifically, are at 24 C.F.R. §3280.

and safety standards, and that other federal agencies may not establish such standards without approval from HUD.

This section is similar to the Housing Supply Expansion Act of 2025 (S. 2414/H.R. 6293). Many of these provisions are also substantially similar to provisions in the ROAD to Housing Act, although the provisions in Housing for the 21st Century related to HUD's issuance of revised standards and HUD's primary authority to establish standards are not included in ROAD.

Section 302. FHA Small-Dollar Mortgages

Research generally shows that lower-priced properties are less likely to be financed with mortgages than higher-priced properties, and that applications for smaller mortgage loans are more likely to be denied.[62] There is no formal definition of a *small dollar mortgage*, but researchers and industry participants have used the term to refer to mortgages below certain thresholds, such as $70,000, $100,000, or $150,000. While a number of potential factors may contribute to challenges related to small-mortgage lending—including borrower credit characteristics, property condition, and greater competition from all-cash buyers—a significant barrier is that small mortgages are generally less profitable for lenders, for a variety of reasons. A particular challenge is that many origination costs are fixed, making it less profitable to originate a smaller mortgage loan than a larger one.[63]

This section would allow HUD, acting through the Federal Housing Commissioner, to establish a pilot program to increase access to small-dollar mortgages. The program would be time-limited and would include certain reporting requirements.

These provisions are not included in the ROAD to Housing Act, although that act contains different provisions addressing small-dollar mortgages.[64]

Section 303. Community Investment and Prosperity

The Community Reinvestment Act (CRA; P.L. 95-128, as amended; 12 U.S.C. §§2901-2908), was enacted to encourage banks to meet the credit needs of the localities in which they were chartered.[65] The CRA specifically encourages banks to make "public welfare investments" (PWIs), which promote the public welfare by providing housing, services, or jobs that primarily benefit low- and moderate-income individuals. The PWI authority allows banks to engage in activities that typically would not be permitted, as long as these activities promote the public welfare and do not expose institutions to unlimited liability. For example, banks generally cannot make direct purchases of the preferred or common equity shares of other banking firms. They may, however, purchase equity shares of institutions with a primary mission of community

[62] Urban Institute, *Improving the Availability of Small Mortgage Loans*, December 2022, https://www.urban.org/sites/default/files/2022-12/Improving%20the%20Availability%20of%20Small%20Mortgage%20Loans.pdf; and Pew, *Small Mortgages Are Too Hard to Get*, June 22, 2023, https://www.pew.org/en/research-and-analysis/issue-briefs/2023/06/small-mortgages-are-too-hard-to-get.

[63] HUD Office of Policy Development and Research, *Financing Lower Priced Homes: Small Mortgage Loans*, October 2022, https://www.huduser.gov/portal//portal/sites/default/files/pdf/Financing-Lower-Priced-Homes-Small-Mortgage-Loans.pdf.

[64] A bill that appears to have a similar purpose—H.R. 6774, "A bill to authorize the Secretary of Housing and Urban Development, acting through the Federal Housing Commissioner, to establish a pilot program to increase access to small-dollar mortgages, and for other purposes"—was introduced on December 17, 2025; the text of the bill was not available on Congress.gov as of the cover date of this report.

[65] For more information, see CRS Report R48096, *Modernization of the Community Reinvestment Act*, by Darryl E. Getter.

development, up to an allowable limit. The Financial Services Regulatory Relief Act of 2006 (P.L. 109-351) amended Section 5136 of the Revised Statutes of the United States and the Federal Reserve Act to limit investments made to a single institution to 15% of a bank's unimpaired capital and unimpaired surplus. The 15% cap limits a bank's exposure to a single borrower and encourages diversification of its loan portfolio.

This section would increase the current cap of 15% to 20% of a bank's unimpaired capital and unimpaired surplus for investments made to a single institution. The increase may encourage banks to make PWIs, thereby increasing credit availability for the construction of more affordable housing and for small businesses.[66] The section would also direct the Comptroller of the Currency and the Board of Governors of the Federal Reserve System to submit a report to the authorizing committees—the House Financial Services Committee and the Senate Banking Committee—every two years with certain information about public welfare investments made in the previous two years.

This section is substantially similar to the Community Investment and Prosperity Act (S. 2464/H.R. 5913) and to provisions in the ROAD to Housing Act, except that the reporting requirements included in the Housing for the 21st Century Act are not included in these other bills.

Title IV: Protecting Borrowers and Assisted Families

Section 401. Exclusion of Certain Disability Benefits

The HUD-VA Supportive Housing (HUD-VASH) program is a collaboration through which HUD provides HCVs for veterans experiencing homelessness and the Department of Veterans Affairs (VA) provides case management services.[67] Eligibility for HUD-assisted housing (including HUD-VASH) is determined based on "income" as defined in statute and regulation.[68] Most sources of income, including veteran disability benefits, are included when determining eligibility.[69] The amount of rent paid by eligible families is calculated based on "adjusted income," which is also defined in statute and regulation, and includes certain deductions from total income.[70] The amount of VA disability benefits received by some veterans may cause their total income to exceed HUD income eligibility thresholds, as well as thresholds set by other programs that are used to fund the capital costs of affordable housing.

This section would amend the statutory definition of income and exclude VA benefits for both service- and nonservice-connected disabilities in determining eligibility for HUD-VASH, but it would include the VA benefits when calculating adjusted income to determine rent levels. The section would also amend current law to state that the same method of determining income and

[66] Novogradac, *Senate Introduces Bill to Increase Cap on Bank Investments in Community Development*, July 24, 2025, https://www.novoco.com/news/senate-introduces-bill-to-increase-cap-on-bank-investments-in-community-development.

[67] For more information about HUD-VASH, see CRS Report RL34024, *Veterans and Homelessness*, by Libby Perl.

[68] 42 U.S.C. §1437a(b)(4) and 24 C.F.R. §5.609.

[69] For more information, see CRS Report R42734, *Income Eligibility and Rent in HUD Rental Assistance Programs: Frequently Asked Questions*, by Libby Perl and Maggie McCarty.

[70] 42 U.S.C. §1437a(b)(5) and 24 C.F.R. §5.611.

adjusted income shall apply to HUD-VASH voucher holders applying to live in housing funded through other types of housing assistance.[71]

This section is similar to versions of the Housing Unhoused Disabled Veterans Act (H.R. 965/S. 1415). H.R. 965 was passed by the House on February 10, 2025. These provisions are also included in the Road to Housing Act.

Section 402. Military Service Question

The Uniform Residential Loan Application (URLA) is used by lenders to collect information from mortgage applicants. Fannie Mae and Freddie Mac publish and occasionally update it.[72] The URLA contains a question about military service: "Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces?" This section would require the Federal Housing Finance Agency (FHFA) Director, within six months of enactment, to add a statement below the question about military service reading "If yes, you may qualify for a VA Home Loan. Consult your lender regarding eligibility."

This section is substantially similar to the VA Home Loan Awareness Act (H.R. 2362/S. 138). It is also substantially similar to provisions in the ROAD to Housing Act.

Section 403. HUD–USDA–VA Interagency Coordination

This section directs the HUD, USDA, and VA Secretaries to enter into an agreement, within 180 days of enactment, to share data, with the purpose of facilitating evidence-based policymaking. The section also directs the three agencies to submit a report, within one year of enactment, to various congressional committees describing opportunities for increased collaboration to reduce inefficiencies in housing programs.

This section is similar to the HUD-USDA-VA Interagency Coordination Act (S. 1695) and a provision in the ROAD to Housing Act.

Section 404. Family Self-Sufficiency Escrow Expansion Pilot Program

The Family Self-Sufficiency (FSS) program—originally authorized in 1992—was designed to reduce the implicit tax on new earnings associated with federal rental assistance programs that charge income-based rents. Families participating in FSS develop five-year self-sufficiency plans, with the assistance of an FSS caseworker. Over the course of that five-year period, any increases in rent the family must pay that are attributable to increased earnings are deposited in an interest-bearing escrow account for the family. Upon successful completion of the program, the family receives the escrowed funds (interim withdrawals are permissible for eligible activities). The program was originally made available only to families receiving HCVs, but it was later expanded to tenants in other forms of assisted housing. Participation in FSS is optional for both PHAs and owners, as well as tenants. To date, demand has exceeded available funding. PHAs and

[71] The reported version of the bill included two additional provisions: it would have excluded VA service-connected disability benefits from income for the purposes of assistance funded by Community Development Block Grants and required GAO to issue a report on the treatment of VA service-connected disability payments across HUD programs. Both of these provisions were enacted into law on January 20, 2026, by the Disabled Veterans Housing Support Act, P.L. 119-70.

[72] The URLA is Freddie Mac form 65 and Fannie Mae form 1003. The URLA was initially published in regulations at 12 C.F.R. Part 202, Appendix B. For the most recent version of it as of the cover date of this report, see https://singlefamily.fanniemae.com/media/7896/display, accessed January 13, 2026.

landlords who wish to participate must apply for limited FSS caseworker funding from HUD. In some cases, there are waitlists for families at participating PHAs and properties.

This section would create a new seven-year Escrow Expansion Pilot within FSS that would allow up to 5,000 families to participate in a streamlined version of FSS featuring only the escrow account component of the program, without the caseworker and self-sufficiency plan requirements.[73]

This section is nearly identical to the Helping More Families Save Act of 2026 (H.R. 4385/S. 970) and to a provision in the ROAD to Housing Act.

Section 405. Reforms to Housing Counseling and Financial Literacy Programs

HUD-approved housing counseling agencies provide clients with guidance on a range of housing topics, including pre- and post-purchase homeownership counseling and rental housing counseling. HUD approves housing counseling agencies that meet specified criteria, administers housing counselor certification requirements, and provides competitive grants to HUD-approved housing counseling organizations. Statutory requirements related to HUD-approved housing counseling agencies are at 12 U.S.C. §1701x.

This section would amend 12 U.S.C. §1701x to make certain changes to HUD housing counseling requirements. These would include changes to language governing the distribution of housing counseling funds; the addition of certain provisions related to performance reviews; adding provisions describing actions the HUD Secretary can take upon a determination that an individual counselor lacks competence, based on certain measures; and adding provisions related to the termination of assistance to organizations under certain circumstances. It would also provide for those borrowers with mortgages made, guaranteed, or insured by HUD, VA, or USDA who become delinquent to be given an opportunity to participate in available housing counseling, and allow the costs of such counseling to be paid for out of FHA's Mutual Mortgage Insurance Fund (MMI Fund) if certain measures related to the financial stability of the MMI Fund are met.

This section is substantially similar to H.R. 6726 and to provisions in the ROAD to Housing Act.

Section 406. Establishment of Eviction Helpline

Interest in increasing the role of the federal government in helping to prevent residential evictions began before, but increased during, the COVID-19 pandemic.[74] This section would require HUD to establish within one year an eviction helpline available for residents of federally assisted housing, defined broadly to include tenants receiving rental assistance through HUD programs, living in properties that receive support from any HUD program, or living in properties financed with mortgage loans insured by FHA or backed by Fannie Mae or Freddie Mac. The hotline would be required to provide counseling, resources, and referrals to eviction-related assistance. The program would sunset seven years after enactment.[75]

This section is substantially the same as the Eviction Helpline Act (H.R. 5889). There is no similar provision in the ROAD to Housing Act.

[73] In the reported version of the bill, the pilot program would have lasted for 10 years.

[74] For background, see CRS Report R47204, *Federal Role in Preventing Evictions*, by Libby Perl and Maggie McCarty.

[75] The sunset provision was not present in the reported version of the bill.

Section 407. Temperature Sensor Pilot Program

Federally assisted housing is required to meet certain minimum quality standards that, due to relatively recent policy changes, incorporate minimum temperature standards.[76] Federally assisted housing units are physically inspected against those standards annually, biennially, or triennially, depending on the program and a property's prior inspection score.

This provision would authorize a new three-year pilot program to provide grants to selected owners of federally assisted housing properties to acquire, install, and test the efficiency of approved temperature sensors to ensure federally assisted units remain in compliance with temperature requirements between inspections. The pilot would require data collection and an interim and final evaluation.

This section is substantially the same as the Housing Temperature Safety Act of 2025 (H.R. 638). There is no similar provision in the ROAD to Housing Act.

Section 408. GAO Studies

This section includes directives to GAO to conduct three different studies:

- A study on options for removing barriers and improving housing for persons who are elderly or disabled, including implications for the Section 202 Housing for the Elderly and Section 811 Housing for Persons with Disabilities programs.
- A study on the number of housing units, including public housing units, that are within one mile of Superfund sites.
- A report to Congress on various residential heirs' property issues. Heirs' property issues and related title issues can pose challenges for access to housing programs, including, but not limited to, in the context of disaster recovery.

Two of these studies are also requested in Sections 301 and 306 of the Revitalizing America's Housing Act (H.R. 4856). There is no similar provision in the ROAD to Housing Act.

Title V: Enhancing Oversight of Housing Providers

Section 501. Requirement to Testify

This section would require the HUD Secretary to testify on an annual basis before the Senate Banking Committee and the House Financial Services Committee.

This section is substantially similar to the HUD Accountability Act of 2025 (H.R. 3774). It is also similar to a provision in the ROAD to Housing Act, though that act includes additional provisions not included in the Housing for the 21st Century Act.

Section 502. Improving Public Housing Agency Accountability

This section has several provisions related to oversight of the PHAs that administer HUD's HCV and Public Housing programs. PHAs are established by state law and are generally governed by

[76] Section 111 of the Housing Opportunity Through Modernization Act of 2016 (P.L. 114-201) required HUD to establish minimum heating requirements for public housing units. HUD established those standards for public housing in 2018 (HUD Notice PIH 2018-19) and subsequently incorporated them into the property standards applicable to all HUD-assisted properties via the National Standards for the Physical Inspection of Real Estate (NSPIRE) finalized in 2023. No equivalent *maximum* temperature standards have been established.

local boards. HUD monitors PHA performance in administering federal programs. If a PHA's performance deteriorates below certain thresholds, or if there are significant findings of waste, fraud, and abuse, HUD—or a court—may place a PHA under the supervision of a HUD- or court-appointed receiver or monitor.

This section would require a PHA to notify HUD if it is under a federal monitor, and the start date and scheduled end date (if known) of the monitor, as well as the monitor's identity. (The New York City Housing Authority [NYCHA], the nation's largest PHA, is currently under the supervision of a federal monitor.) The section would require any receiver or federal monitor overseeing a PHA to provide an annual written report to the House Financial Services and Senate Banking Committees including information on the receiver's activities, the PHA's progress, and unresolved issues, among other elements. It would require the receiver to promptly furnish additional information, as requested by the committees. The section would also require the HUD OIG to respond within 180 days to any written request by the committees seeking analysis related to PHAs under receiverships or federal monitors.

In addition, this section would require HUD to mandate that PHAs publicly disclose all of their contracts on their websites. This requirement is the same as that in the Contracting Accountability and Transparency Act (H.R. 6344). There is no similar provision in the ROAD to Housing Act.

Title VI: Strengthening Community Banks' Role in Housing

This title, included in the engrossed version of the Housing for the 21st Century Act, was not included in the reported version of the bill.

Section 601. Community Bank Deposit Access

Banks fund their operation with deposits, other forms of short-term borrowings, and capital. The federal banking agencies regulate the types and standards of funding that banks can use. One such regulation concerns deposit funding, specifically deposits procured by deposit brokers.[77] Deposit brokers are businesses that manage and relocate customer deposits (in either separate or new accounts) to take advantage of differences in interest rates paid to depositors and also to maximize deposit insurance coverage.[78] Because deposit brokers can move deposits in response to market prices, the deposits sourced from brokers are inherently more mobile relative to traditional deposits accounts in which customers are likely to have selected direct payroll deposit and bill payment services. Further, because the primary purpose of brokered deposits is to seek yield, banks that struggle to borrow short-term funds may offer higher rates to incentivize and attract brokered deposits, increasing their solvency risk and the risk that taxpayers' dollars will be used to reimburse depositors if they fail. Regulators generally want banks to hold stable, less mobile deposits to protect the financial safety net, thus limiting the conditions upon which a bank may accept brokered deposits.

Similar to brokered deposit accounts, custodial deposit accounts are also type of deposit account that is typically opened on behalf of other customers. Although banks may hold and pay interest on custodial deposits to retain relationships with high-net-worth clients, these funds are not used to finance lending activities and are, therefore, much less mobile and more stable relative to brokered deposits.

[77] For example, see 12 C.F.R. §337.6.

[78] Currently, an individual checking account may be covered up to $250,000. For this reason, individuals with deposits that exceed $250,000 may place funds in multiple banks to increase federal insurance coverage.

This section would exempt custodial deposits from being considered a brokered deposit for certain well-capitalized insured depository institutions, provided they meet the following conditions:

- the bank is "well-capitalized"[79] and received a composite supervisory rating of 3 or better,[80] or it has obtained a waiver;
- custodial deposits do not exceed 20% of a bank's total liabilities; and
- the bank has less than $10 billion in assets.

Further, the section restricts an institution that is not well capitalized from offering interest rates on custodial deposits that "significantly" exceed designated market rates.

This section is substantially similar to the Community Bank Deposit Access Act (H.R. 5317). There is no similar provision in the ROAD to Housing Act.

Section 602. Keeping Deposits Local

Reciprocal deposits are deposit funds exchanged by banks, in contrast to brokered deposits that are obtained via third-party brokers. In both cases, a goal is to keep the total amount in an individual account from exceeding the federal deposit insurance limit. Reciprocal deposits allow customers to maximize deposit insurance coverage by spreading a deposit amount that exceeds the $250,000 limit across a network of institutions so that the full amount can receive coverage.

This section would increase the amount of reciprocal deposits that are exempted from the restrictions on brokered deposits. It creates tiers of deposits that would be exempt from the brokered deposit restrictions:

> (A) An amount equal to 50 percent of the portion of the total liabilities of the agent institution that is less than or equal to $1,000,000,000.
>
> (B) An amount equal to 40 percent of the portion, if any, of the total liabilities of the agent institution that is greater than $1,000,000,000, but less than or equal to $10,000,000,000.
>
> (C) An amount equal to 30 percent of the portion, if any, of the total liabilities of the agent institution that is greater than $10,000,000,000, but less than or equal to $250,000,000,000.

The provision would also change who qualifies for this exemption to be based on the bank's supervisory rating. The provision would require a study on reciprocal deposits from the Federal Deposit Insurance Corporation (FDIC) and Federal Reserve, and a report to Congress on the report's findings.

This provision is substantially similar to the Keeping Deposits Local Act (H.R. 3234). There is no similar provision in the ROAD to Housing Act.

Section 603. Supervisory Modifications for Appropriate Risk-Based Testing

Banks are routinely subject to examinations to assess their financial condition and compliance with banking law and regulations. Some examinations are full-scope assessments of the bank, and others are limited or targeted examinations of one aspect of a bank's operations.

[79] The term "well-capitalized" is generally defined in 12 U.S.C. §1831o.

[80] For more on the supervisory rating system, see CRS Report R46648, *Bank Supervision by Federal Regulators: Overview and Policy Issues*, by David W. Perkins.

This section would ease some of the examination requirements for banks and credit unions with $6 billion or less in assets that are "well-managed" and "well-capitalized."[81] For example, the section would allow an eligible bank to alternate between full-scope and limited scope exams. Further, the section would require the regulators, upon the covered bank's request, to combine targeted examinations so they are carried out at the same time. The section does not provide relief to banks that are currently subject to enforcement actions from the federal banking agencies or those institutions that have been acquired since their most recent full-scope examination. The section requires the regulators to issue rules to define the limited-scope examination procedures as well as to establish a process to review institutions that have experienced changes in their financial conditions between exams or have failed to comply with banking law. The section would set forth standards for examination practices, and each federal banking agency would be required to include in its annual report to Congress an explanation of how it complied with the section.

This section is substantially similar to the Supervisory Modifications for Appropriate Risk-Based Testing (SMART) Act (H.R. 4437). There is no similar provision in the ROAD to Housing Act.

Section 604. Tailored Regulatory Updates for Supervisory Testing

Banks are generally subject to full-scope examinations once every 12-month period. However, if a bank has total assets of less than $3 billion, is well-capitalized, and meets certain other conditions, the bank only faces full-scope examinations once every 18-month period. This section would increase the exemption threshold from $3 billion to $6 billion.

This provision is substantially similar to the Tailored Regulatory Updates for Supervisory Testing (TRUST) Act (H.R. 4478). There is no similar provision in the ROAD to Housing Act.

Section 605. Credit Union Modernization Act

Credit unions are nonprofit depository financial institutions that are owned and operated entirely by their members.[82] Credit union boards are statutorily required to hold board meetings at least once a month.[83]

This section would amend the Federal Credit Union Act of 1934 to reduce the mandatory meeting frequency for boards of directors of well-capitalized credit unions from monthly to at least six times per year and at least once per quarter. Newly formed credit unions must meet at least monthly for the first five years of their existence. Undercapitalized credit unions must still meet no less than once a month.

This section is substantially similar to the Credit Union Board Modernization Act (H.R. 975). There is no similar provision in the ROAD to Housing Act.

Section 606. Systemic Risk Authority Transparency

When a bank fails, it does not enter the bankruptcy process like other businesses. Instead, it is taken into receivership by the FDIC, which takes control of the bank and resolves it through an administrative process designed to select the least costly resolution (LCR) option. Under 12

[81] The term "well-managed" is a function of each of the federal regulator's supervisory procedures. The term "well-capitalized" is generally defined in 12 U.S.C. §1831o.

[82] For more information, see CRS Report R46360, *The Credit Union System: Lending Activities and Selected Regulatory Developments*, by Darryl E. Getter.

[83] Section 113 of the Federal Credit Union Act of 1934 (48 Stat. 1216, 12 U.S.C. §1761b).

U.S.C. §1823, the FDIC must resolve a failed (insolvent) bank in a manner that is least costly to the Deposit Insurance Fund (DIF)[84] unless the systemic risk exception is invoked. For this exception to be used, certain conditions must be met:[85]

(1) The Treasury Secretary, in consultation with the President and upon a written recommendation of at least two-thirds of the boards of the FDIC and Fed, determines LCR "would have serious adverse effects on economic conditions or financial stability" and the FDIC's actions would avoid or mitigate those effects. (2) Any loss to the FDIC must be repaid through a special assessment on banks by the FDIC. In levying this assessment, the FDIC need not follow normal deposit insurance assessment rates and may consider who benefited from the action and the effects on the banking industry (as amended by P.L. 111-22).... (3) The Treasury Secretary must document the decision. (4) GAO must review the incident.... (5) The Treasury Secretary must notify the congressional committees of jurisdiction within three days.

This section would expand the GAO review requirements for the systemic risk exception and would require reports from the primary federal regulator of a failed institution. The report would include information (which can be redacted as the regulator deems appropriate) on the reports of examination, formal communications, and other correspondence with the failed institution leading up to its failure.

This section is substantially similar to the Systemic Risk Authority Transparency Act (H.R. 3716). There is no similar provision in the ROAD to Housing Act.

Section 607. Least Cost Exception

The LCR option for a failing bank may involve a healthier institution acquiring a failing institution, perhaps facilitated by financial assistance from the FDIC. Meanwhile, to prevent them from holding excessive market power, banks are subject to various concentration limits that apply to acquisition and mergers. However, these limits on mergers have an exception for banks in danger of default, or with respect to instances where FDIC assistance is provided for a resolution.[86] Under these merger exceptions, there have been instances where banks above the concentration limit have been allowed to acquire failing banks as the LCR option.

Section 607 would allow the FDIC to choose an alternative resolution approach that is not least costly to avoid the acquisition of a failing bank by a "global systemically important bank" *(*G-SIB).[87] The section would create an exception to the least-cost requirement in cases where the FDIC determines that an alternative

- is the least costly alternative that does not involve a transaction with a G-SIB,[88] and does not exceed the cost of liquidating the institution;
- is less than or only as costly to the DIF as the maximum cost criteria established by the FDIC; and

[84] Congress reformed how the FDIC resolves banks in 1991 (P.L. 102-242), in part by establishing LCR requirements intended to minimize resolution costs by ensuring that banks are resolved as inexpensively as possible.

[85] For more on the systemic risk exception, see CRS In Focus IF12378, *Bank Failures: The FDIC's Systemic Risk Exception*, by Marc Labonte.

[86] For example, 12 U.S.C. §1852 limits the amount of deposits a given banking organization can hold, which cannot exceed 10% of the aggregate consolidated liabilities of all financial companies.

[87] For more information on the bank resolution process, see CRS In Focus IF10055, *Bank Failures and the FDIC*, by Raj Gnanarajah.

[88] There are eight U.S. financial institutions that have been designated as G-SIBs based on their systemic importance.

- results in an acquiring institution paying the appropriate assessments to the FDIC.

This section is substantially similar to the Least Cost Exception Act (H.R. 6547). There is no similar provision in the ROAD to Housing Act.

Section 608. Failing Bank Acquisition Fairness

This section would narrow the existing exceptions to the concentration limits pertinent to bank acquisitions to cases where[89]

- a bid for a merger comes from a company that is both well capitalized and well managed; [90] and
- a bank is either in default or in danger of default, and the regulators determine such a transaction is necessary to prevent significant economic disruption or effects on financial stability; or
- the FDIC has provided assistance to facilitate the merger.

Further, the provision would require any agency that waives the concentration limit to submit a report to Congress justifying the waiver and describing the alternative bids and why they were not chosen. The provision would also prohibit the FDIC from considering bids that would result in the violation of these sections as amended when determining the bid that would meet the least cost resolution requirement.

This provision is substantially similar to the Failing Bank Acquisition Fairness Act (H.R. 6556). There is no similar provision in the ROAD to Housing Act.

Section 609. Advancing the Mentor-Protege Program for Small Financial Institutions

This section would mandate the Secretary of the Treasury to establish a program to be known as the Financial Agent Mentor-Protege Program.[91] Under this program, a large depository institution with consolidated assets greater than or equal to $50 billion could serve as a mentor to a "rural depository institution" (defined by the section as having total consolidated assets of less than $10 billion and being located within certain geographic areas) or by otherwise qualifying as a "small depository institution" (defined by having total consolidated assets less than or equal to $2 billion, or by qualifying as a "minor depository institution").[92] The Treasury Secretary would prescribe guidance or regulations for the program as well as circumstances in which institutions can be excluded from participation.

This section appears to formalize a similar practice already associated with bank regulation. At present, banks may be evaluated under the Community Reinvestment Act of 1977 (CRA; P.L. 95-128, 12 U.S.C. §§2901-2908), specifically its "service test," if they provide eligible support to

[89] To narrow this exception, the provision would amend several areas of statute, including 12 U.S.C. §1852, 12 U.S.C. §1828(c), 12 U.S.C. §1831u(b), and 12 U.S.C. §1842.

[90] A qualified bid is defined in Section 18(c)(13)(C) of the Federal Deposit Insurance Act (12 U.S.C. §§1811 et seq.).

[91] Amends Section 308 of FIRREA of 1989.

[92] A depository institution can be either a bank or credit union, which can legally accept deposits insured by the FDIC or the National Credit Union Administration, respectively.

institutions in need of assistance and particularly for "impact institutions."[93] Eligible support includes capital investments, deposit placement, technical assistance, and lending partnerships that help smaller financial institutions serve low- and moderate-income communities, which are similar to the types of support defined in this section for a mentor-protege program. Thus, a formal mentor-protege program implemented by Treasury may either complement or possibly supersede analogous qualifying activities incentivized by CRA (currently implemented and enforced jointly by the federal prudential banking regulators).

Section 609 is substantially similar to the Advancing the Mentor-Protege Program for Small Financial Institutions Act (H.R. 3709). There is no similar provision in the ROAD to Housing Act.

Section 610. American Access to Banking

New banks are referred to as *de novo* institutions. This section would establish a requirement for regulators to review and streamline the application process for new banks. The bank regulators would also be required to report to Congress on actions and recommendations on how banks raise capital, and they would be required to consult with the Securities and Exchange Commission about how its requirements may restrict capital access. The provision would also require agencies to assign a caseworker to a de novo bank to be the point of contact between the bank and its regulator.

This provision is substantially similar to the American Access to Banking Act (H.R. 4544). There is no similar provision in the ROAD to Housing Act.

Section 611. Promoting New Bank Formation

New banks face capital requirements that they must be able to meet upon opening their institution. This section would create a pilot program allowing for a two-year phase in for qualifying banks to meet capital requirements upon being chartered. Qualifying banks would have less than $10 billion in assets and have charter dates between January 1, 2026, and December 31, 2028. The provision would also require the federal banking agencies to conduct a study of the pilot program and a report to Congress on the perceived dearth of new banks and ways to promote new bank formation.

This provision is substantially similar to the Promoting New Bank Formation Act (H.R. 478). There is no similar provision in the ROAD to Housing Act.

Section 612. Rural Depositories Revitalization Study

This section would require the federal banking agencies jointly to issue a report identifying methods to improve the growth, capital adequacy, and profitability of depository institutions that serve rural areas. The study must also identify federal statutes and regulations that limit the growth, capital adequacy, and profitability of rural depositories and the establishment of de novo depositories. The National Credit Union Administration would also be required to issue a similar

[93] For more information, see CRS Report R48096, *Modernization of the Community Reinvestment Act*, by Darryl E. Getter. When federal prudential banking regulators updated the CRA, "impact institutions" were defined as minority-owned financial institutions, women-owned financial institutions, low-income credit unions, and community development financial institutions. Under the CRA, a "large bank" is defined as having $2 billion or more in assets. Consequently, many banks with the ability to do so are currently incentivized to provide various forms of support to other institutions.

report that discusses the aforementioned topics for credit unions and de novo credit unions. Both reports would be submitted to Congress one year after enactment of this bill.[94]

This provision is substantially similar to the Rural Depositories Revitalization Study Act (H.R. 6536). There is no similar provision in the ROAD to Housing Act.

Section 613. Discretionary Surplus Fund

The aggregate amount of discretionary surplus funds that may be held by all Federal Reserve Banks is limited by law to a maximum of $6.825 billion—any surplus funds exceeding this cap must be remitted to the U.S. Treasury.[95] This section would amend the Federal Reserve Act (12 U.S.C. §289(a)(3)(A)) to reduce the total amount of discretionary surplus funds that may be held at Federal Reserve Banks by $115,000,000, effective September 30, 2035.[96] Reducing the Federal Reserve's surplus has been used as a *pay for* for scoring purposes for financial services legislation in the past.[97] There is no similar provision in the ROAD to Housing Act.

[94] For more information regarding issues unique to rural credit markets, see CRS Report R46914, *An Overview of Rural Credit Markets*, coordinated by Andrew P. Scott.

[95] P.L. 114-94, 12 U.S.C. 289. For example, see Federal Reserve, Federal Reserve Board announces Reserve Bank Income and Expense Data and Transfers to the Treasury for 2021, January 14, 2022, https://www.federalreserve.gov/newsevents/pressreleases/other20220114a.htm.

[96] See United States House Committee on Financial Services, Chairman French Hill, *Section-by-Section: The Housing for the 21st Century Act*, February 3, 2026, https://financialservices.house.gov/uploadedfiles/2026-02-03_-_sbs_-_housing_for_the_21st_century_act.pdf.

[97] For more information, see CRS Report R48390, *Federal Reserve: Policy Issues in the 119th Congress*, by Marc Labonte.

Appendix. Comparison of the Housing for the 21st Century Act (H.R. 6644, as engrossed in the House) and the ROAD to Housing Act of 2025 (S. 2651, as incorporated into S. 2296)

Table A-1 provides a comparison of provisions that are included in the Housing for the 21st Century Act and/or the ROAD to Housing Act. The table is organized by the general issue areas addressed. For each specific subissue, the table provides the section of the Housing for the 21st Century Act that addresses it (if applicable), the section of the ROAD to Housing Act that addresses it (if applicable), and notes on any differences between provisions addressing similar issues across the two bills.

This comparison uses the version of the Housing for the 21st Century Act that was passed by the House and the version of the ROAD to Housing Act that passed the Senate as part of the National Defense Authorization Act for FY2026 (but was not included in the enacted version of the NDAA). For ease of reference, the table provides the section numbers for the ROAD to Housing Act as reported out of the Senate Banking Committee as well as the section number in the Senate-passed NDAA.

Table A-1. Side-by-Side Comparison of Provisions in the Housing for the 21st Century Act and the ROAD to Housing Act

Policy Issue and Subissue	21st Century	ROAD	Notes on Differences
Environmental Review			
Adjustments to responsible entity designation under NEPA	§104	§207/§5207	Many of the provisions are substantively the same, though they are ordered differently and there are other drafting differences, including a substantive difference in the definition of "voluntary property acquisitions" or "buyouts." In the Housing for the 21st Century Act, voluntary acquisitions of properties located in floodways and floodplains not impacted by a federally declared disaster would be reclassified as CEST; in the ROAD to Housing Act, they would not.
Reclassification of several housing activities for the purposes of environmental review under NEPA		§208/§5208	
Streamlined environmental review for projects funded by both HUD and USDA	§105	§802/§5802	Many of the provisions are substantively the same, but there are some differences. The Housing for the 21st Century Act includes an additional reporting requirement not present in the ROAD to Housing Act, and exempts USDA-assisted infill projects from "any study or report on the environmental effects of such assistance."
Homeownership and Housing Finance			
FHA multifamily loan limits	§106	§213/§5213	Both bills address FHA multifamily mortgage limits. The Housing for the 21st Century Act makes changes to the statutory loan limits and the index used to make annual adjustments to the limits for inflation. The ROAD to Housing Act requires HUD to study changes to multifamily loan limits, including the impacts of changing the index used to make annual adjustments to the limits for inflation, and allows HUD to make changes to the limits through regulation, up to certain limits.
Increased cap on bank investments to promote the public welfare	§303	§205/§5205	Many of the provisions are substantively the same, but the Housing for the 21st Century Act includes reporting requirements regarding public welfare investments not present in the ROAD to Housing Act.
Small-dollar mortgages	§302	§401/§5401	Both bills address small-dollar mortgages but do so differently: The Housing for the 21st Century Act allows HUD to establish a pilot program to increase access to small-dollar mortgages. The ROAD to Housing Act does not include the HUD pilot program language, but it requires the Director of the Consumer Financial Protection Bureau (CFPB) to submit a report on loan compensation practices in the residential mortgage market, and to evaluate the impact of current points and fees thresholds for qualified mortgages; and it allows the CFPB Director to issue regulations regarding permissible types of loan originator compensation and amended points and fees thresholds for qualified mortgages to encourage increased lending for small-dollar mortgages.
		§402/§5402	

Policy Issue and Subissue	21st Century	ROAD	Notes on Differences
Addition of disclaimer about potential eligibility for VA home loans to the military service question on the Uniform Residential Loan Application (URLA)	§402	§601/§5601	The provisions are substantively the same, except the Housing for the 21st Century Act includes language related to the placement of the military service question on the URLA that does not appear in Section 601/Section 5601 of the ROAD to Housing Act. Similar language addressing the placement of the military service question is included in Section 602/Section 5602 of the ROAD to Housing Act.
Appraisal industry reforms, including of FHA appraiser workforce standards and certain provisions of FIRREA	NA	§403/§5403	NA
Includes a comparison of VA-guaranteed loans to FHA-insured loans in the Informed Consumer Choice Disclosure provided to FHA loan applicants	NA	§602/§5602	NA
Appraisal reforms related to consumer requests for re-appraisals and a GAO report on the feasibility of a public appraisal database	NA	§705/§5705	NA
Land Use and Zoning			
Land use policy guidelines and best practices (Housing Supply Frameworks)	§101	§203/§5203	Many of the provisions are substantively the same, though there are some differences. The Housing for the 21st Century Act omits the following from the ROAD to Housing Act: HUD's second "Monitoring" report, authorization of appropriations for HUD to carry out this section, and a GAO report on housing supply.
Single-stair reform policy guidelines and best practices	§103	NA	NA
Additional land use policy reporting requirements for CDBG grantees, including a database of publicly owned land	§202	NA	NA
Partial conditioning of CDBG formula grants on housing production	NA	§206/§5206	NA

Policy Issue and Subissue	21st Century	ROAD	Notes on Differences
Factoring pro-housing policies into Capital Investment Grant (CIG) project ratings	NA	§211/§5211	NA
Manufactured Housing			
Removal of the permanent chassis requirement from definition of "manufactured home"	§301	§301/§5301	Both bills amend the statutory definition of a "manufactured home" to remove the requirement for a "permanent" chassis and require states to submit certifications to HUD regarding their treatment of manufactured homes with and without a permanent chassis. The Housing for the 21st Century Act also includes additional language around HUD implementation of the change and, separately, provides that HUD shall have the primary authority to establish federal manufactured housing construction and safety standards.
Modular housing studies and rulemaking	NA	§302/§5302	NA
FHA Title I loan program reforms and HUD study on off-site construction	NA	§303/§5303	NA
Authorization of competitive grants to support manufactured home communities	NA	§304/§5304	NA
Other New Grant Programs			
Pattern book grants	§102	§210/§5210	Many of the provisions are substantively the same, though there are drafting differences. In addition, the ROAD to Housing Act includes "a municipal membership organization" as an eligible entity and authorizes appropriations; the Housing for the 21st Century Act does not. The engrossed version of the Housing for the 21st Century Act would sunset the program after seven years.
Establishment of an affordable housing planning and implementation grant program	§203	NA	NA
Establishment of a pilot program for whole-home repair grants	NA	§204/§5204	NA

Policy Issue and Subissue	21st Century	ROAD	Notes on Differences
Establishment of new competitive grants for local governments that demonstrate housing supply growth	NA	§209/§5209	NA
Establishment of new vacant and abandoned housing conversion grants	NA	§212/§5212	NA
Other Program Reforms			
HOME: program reforms	§201	§502/§5502	Both bills would raise the minimum allocation for newly qualifying PJs, remove the general and CHDO-specific commitment deadlines, modify the CHDO definition, exempt small-scale housing from certain requirements, waive certain homeownership requirements for heirs and members of the military, and allow the HUD Secretary to make certain out-of-compliance PJs ineligible to receive reallocations of funds. Both bills would also adjust the maximum per-unit subsidy limits, modify the maximum purchase price for homeownership housing, and modify provisions related to Community Land Trusts, but with substantive differences. The Housing for the 21st Century Act would additionally eliminate the rehabilitation preference statement, codify that HOME rent limits do not apply to HCV payments, allow periods of affordability to terminate for certain troubled projects, increase the maximum income eligibility for HOME-assisted housing for homeownership, expand eligible uses for HOME dollars for certain PJs, exempt certain HOME activities from NEPA review, direct the HUD Secretary to issue updated Build America, Buy America guidance, and exempt certain HOME projects from Section 3. The ROAD to Housing Act would additionally reauthorize the program, increase the share of grants that may be used for administrative costs, modify requirements for CHDO set-aside funds, modify homeownership resale restrictions, revise PJ monitoring requirements, and revise penalties for noncompliance and misuse of funds.
RHS: program reforms	§204	§503/§5503	The Housing for the 21st Century Act includes nearly identical reporting provisions as the ROAD to Housing Act. It also contains Section 504 program changes that are similar, but not identical, to those included in the ROAD to Housing Act. The ROAD to Housing Act contains a range of additional rural housing program reforms related to loan program changes and rural housing preservation that are not included in the Housing for the 21st Century Act.

Policy Issue and Subissue	21st Century	ROAD	Notes on Differences
HCVs: modified voucher inspection process	§205	§405/§5405	While the provisions are ordered differently, they are substantively the same, with one exception: the Housing for the 21st Century Act adds additional conditions to the use of remote inspections beyond what is included in the ROAD to Housing Act.
Exclusion of service-connected disability compensation when determining income for HUD programs	§401	§603/§5603	The provisions are substantively the same.
HUD-USDA-VA Interagency Coordination	§403	§801/§5801	Many of the provisions are substantively the same, though there are some differences. The Housing for the 21st Century Act has a one-year timeline for submission of an interagency report, compared to 180 days in the ROAD to Housing Act. The Housing for the 21st Century Act requires the report be issued to additional committees compared to the ROAD to Housing Act. The ROAD to Housing Act would require the report to include additional elements, not included in the Housing for the 21st Century Act, related to identifying laws and regulations that impede housing development and policy recommendations to Congress.
FSS: escrow-only pilot program	§404	§404/§5404	The provisions are substantively the same, though there are drafting differences and two policy differences. The Housing for the 21st Century Act would require that the pilot be established within a year; there is no timeframe specified in the ROAD to Housing Act. The ROAD to Housing Act would authorize appropriations of such sums as necessary to carry out the pilot; the Housing for the 21st Century Act includes no authorization of appropriations. The engrossed version of the Housing for the 21st Century Act has a pilot term of 7 years; the ROAD to Housing Act has a pilot term of 10 years.
HUD Housing Counseling reforms	§405	§101/§5101	The provisions are substantively the same, except that the Housing for the 21st Century Act provides that HUD can "suspend" a counselor's certification under certain circumstances, while the ROAD to Housing Act provides that HUD can "permanently suspend" the certification.
CDBG: addition of new housing construction as an eligible activity, up to 20% of grants	§202	NA	NA
Establishment of an eviction helpline grant program	§406	NA	NA

Policy Issue and Subissue	21st Century	ROAD	Notes on Differences
Establishment of a temperature sensor pilot program in public and assisted housing	§407	NA	NA
Authorization and expansion of the Rental Assistance Demonstration	NA	§201/§5201	NA
Additional weight to HUD competitive grant applicants in Opportunity Zones	NA	§202/§5202	NA
Authorization of the CDBG Disaster Recovery (CDBG-DR) program	NA	§501/§5501	NA
Expansion of Moving to Work (MTW) demonstration	NA	§504/§5504	NA
Continuum of Care (CoC) program reforms	NA	§505/§5505	NA
Emergency Solutions Grants (ESG) program reforms	NA	§506/§5506	NA
Oversight and Studies			
Annual congressional testimony from federal housing officials	§501	§701/§5701	The Housing for the 21st Century Act only requires annual testimony from the HUD Secretary. The ROAD to Housing Act additionally requires testimony from the president of Ginnie Mae, the Federal Housing Commissioner, the Administrator of the RHS, the Executive Director of the Loan Guaranty Service of the VA, and the FHFA Director. The ROAD to Housing Act also requires the Mortgagee Review Board to submit its annual report to Congress.
GAO study of workforce housing	§107	NA	NA
GAO studies of (1) housing for elderly/disabled persons, (2) housing near superfund sites, and (3) residential heirs property	§408	NA	NA
Public Housing Agency disclosures	§502	NA	NA

Policy Issue and Subissue	21st Century	ROAD	Notes on Differences
Revisions to FHA reporting requirements and a GAO study	NA	§702/§5702	NA
United States Interagency Council on Homelessness (USICH) oversight	NA	§703/§5703	NA
Establishment of an Inspector General for NeighborWorks America	NA	§704/§5704	NA
HUD study of work requirements among original MTW agencies	NA	§803/§5803	NA
Banking			
Reclassification of custodial and reciprocal deposits for certain banking institutions	§601 §602	NA	NA
Modification of examination and other requirements for certain banking institutions	§603 §604 §605	NA	NA
Processes regarding failed and insolvent banks	§606 §607 §608	NA	NA
Modification and review of additional processes regarding new, rural, and small banking institutions	§609 §610 §611 §612	NA	NA
Savings			
Reduce total discretionary surplus funds that may be held at Federal Reserve Banks	§613	NA	NA

Source: CRS analysis of the Housing for the 21st Century Act (H.R. 6644), as passed by the House, and the ROAD to Housing Act of 2025 (S. 2651, as incorporated into S. 2296).

Notes: "NA": not applicable. For more information on the ROAD to Housing Act, see CRS Report R48732, *ROAD to Housing Act of 2025*, coordinated by Henry G. Watson. None of the provisions of Title VI, as added in the version of the Housing for the 21st Century Act passed by the House, were included in the ROAD to Housing Act.

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