

# NLIHC'S ANALYSIS OF THE "RENEWING OPPORTUNITY IN THE AMERICAN DREAM (ROAD) TO HOUSING ACT OF 2025"



July 2025

## OVERVIEW

The "Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025" is a bipartisan housing package that proposes reforms to a broad array of U.S. Department of Housing and Urban Development (HUD) programs, including some of National Low Income Housing Coalition's (NLIHC) policy priorities. While these reforms would make needed changes to HUD programs, the "ROAD to Housing Act" also includes provisions that could increase burden for tenants if implemented without sufficient guardrails. NLIHC is committed to working with our partners to ensure the final legislation fully meets the needs of low-income households.

## SUMMARY OF KEY PROVISIONS

NLIHC has highlighted and summarized the following provisions in the "ROAD to Housing Act" that are key to ensuring housing programs better serve renters with the lowest incomes. We have identified "Title 5 - Program Reform" as a section that includes some high-priority provisions for NLIHC. The following summary also includes provisions that NLIHC has concerns about, including the expansion of the Rental Assistance Demonstration (RAD) program and the Moving to Work (MTW) program.

---

## TITLE 2: BUILDING MORE IN AMERICA:

The supply provisions under Title 2 are mostly focused on streamlining existing HUD programs, encouraging local governments to take actions to increase and speed up housing production, such as changes to zoning and land use, and streamlining review processes. The supply section includes two provisions that would provide subsidies for repairs, new construction, or infrastructure support housing development: Section 204 - Whole-Home Repairs Act, and Section 209 - Innovation Fund.

The supply provisions do not include any additional funding to create or preserve units affordable to extremely low-income renters, who face the most severe shortage of affordable and available rental housing, according to NLIHC's [The Gap](#) report. Investments in targeted subsidy programs, such as the National Housing Trust Fund, and deeper income targeting in existing federal programs are needed to address this shortage.

## ***Sec. 201 - Rental Assistance Demonstration Program***

**Provision** - Section 201 lifts the cap on the Rental Assistance Demonstration (RAD) program, which allows public housing authorities to convert public housing units to long-term Section 8 contracts. While this allows access to much needed financing to preserve the properties, NLIHC has opposed RAD expansion and raised concerns about the enforcement of tenant protections at properties that have converted through RAD. HUD needs to actively monitor and enforce the existing tenants' rights and protections.

NLIHC has long opposed expanding or eliminating the RAD cap until HUD undertakes an evaluation on the impact RAD has on residents - as required by statute. Over the years, Congress has raised the cap from 60,000 units for the "demonstration" program to the current cap of 455,000 public housing units.

The RAD statute provided for some resident rights and protections, and RAD Notices (subregulatory documents that implement RAD) provided more specific and detailed resident rights and protections. However, since the beginning of RAD - and despite warnings from advocates - HUD has not adequately monitored how PHAs, property owners and managers, as well as HUD field staff, have complied with resident rights and protections. HUD Headquarters has not taken sufficient action to ensure compliance with resident rights and protections, nor has the department adequately addressed compliance problems highlighted by residents and advocates.

## ***Sec. 203 - Housing Supply Frameworks Act***

**Provision** - This section directs HUD to develop best practice frameworks for zoning and land-use policies, helping communities identify and overcome barriers to housing development.

NLIHC has found that zoning and land use reforms are a low, or even no cost way to create conditions for more housing supply. While affordable housing could result from these changes, it is not guaranteed. To build and preserve housing affordable to renters with the lowest incomes, public subsidies are needed.

## ***Sec. 209 - Innovation Fund***

**Provision** - This section creates a competitive pot of highly flexible funding for communities that are building more housing supply, which can be used to improve community infrastructure, build housing, and supplement water and sewer grants.

NLIHC has found that the innovation fund is designed to support affordable or mixed-income housing. Projects could serve renters with incomes under 60% AMI, for whom there is a need for more affordable homes, however there is no deeper income targeting to meet the needs of extremely low-income renters.

## ***Sec. 211 - Build More Housing Near Transit Act***

**Provision** - This section amends the Capital Investment Grants (CIG) program in the Federal Transit Administration to provide an optional increased rating in the Federal Transit Authority's evaluation process for projects in areas that establish pro-housing policy near public transportation routes.

Incentivizing pro-housing policies is a low, or even no cost way to create conditions for more housing supply. While affordable housing could result from these changes, it is not guaranteed. To build and preserve housing affordable to renters with the lowest incomes, public subsidies are needed.

### ***Sec. 212 - Revitalizing Empty Structures into Desirable Environments (RESIDE) Act***

**Provision** - This section creates a competitive pilot discretionary program within the Home Investment Partnerships Program (HOME) if the annual appropriation exceeds \$1.35 billion to convert vacant and abandoned buildings into attainable housing.

For rental projects with five or more HOME-assisted units, the HOME program requires a set-aside for households earning 50% of AMI or less. Projects using pilot program grants should be subject to the same income requirements to ensure the program is serving low-income households.

In FY24 and FY25, HOME was funded at \$1.25 billion. While HOME appropriations have exceeded \$1.35 billion in previous years, current HOME appropriations would not be high enough for this pilot to be funded.

---

## **TITLE 3 - MANUFACTURED HOUSING FOR AMERICA:**

Title 3 includes provisions related to manufactured and modular housing. Manufactured homes are significantly less expensive to build compared to site-built homes and can provide affordable homeownership to low- and moderate-income households.

### ***Sec. 301 - Housing Supply Expansion Act***

**Provision** - Manufactured homes are significantly less expensive to build compared to site-built homes and can provide affordable homeownership to low- and moderate-income households.

NLIHC finds that manufactured homes are an essential source of affordable housing, especially in rural areas. They are significantly less expensive to build, and manufactured homebuyers typically have significantly lower incomes than those of site-built homebuyers. This provision would further reduce costs and expand design and location possibilities for manufactured housing.

---

## **TITLE 4 - ACCESSING THE AMERICAN DREAM:**

Title 4 includes provisions to improve access to homeownership, including two provisions related to small dollar mortgage (less the \$100,000). There is a gap in the market for small dollar mortgages, which can help homebuyers purchase less expensive, and potentially more affordable homes.

This section also includes provisions pertaining to households in public housing and the Housing Choice Voucher (HCV) program. Section 404 - Helping More Families Save Act is a pilot program to help families grow their savings; and Section 405 - Choice in Affordable Housing Act streamlines the inspection process for units to be rented by HCV holders, reducing delays and allowing renters to move into units more quickly.

## ***Sec. 405 - Choice in Affordable Housing Act***

**Provision** - This section will reduce HUD inspection delays by allowing units that are financed through other federal housing programs to automatically satisfy voucher inspection requirements if inspected within the past year. Additionally, the bill permits new landlords to request pre-inspections to increase access to housing for voucher holders and encourage landlord participation.

While this is a step in the right direction, NLIHC and our partners will continue advocating for additional reforms to the HCV program that increase voucher uptake, including landlord outreach and incentives, security deposit assistance, prohibition of source of income discrimination, and increasing the number of metropolitan areas that are required to use small fair market rents.

In addition to reforms, the HCV program should be expanded so that it reaches all eligible households. At current funding levels, only one in four households who are eligible to receive a voucher have one; full funding for the HCV program would help ensure families struggling to pay rent would be able to afford a safe, stable, home.

---

## **TITLE 5 - PROGRAM REFORM:**

Title 5 includes some high-priority provisions for NLIHC, and one provision NLIHC opposes.

### ***Section 501 - Reforming Disaster Recovery Act***

**Provision** - This section permanently authorizes the Community Development Block Grant-Disaster Recovery (CDBG-DR) program which provides states, tribes, and communities with flexible, long-term recovery resources needed to rebuild affordable housing and infrastructure after a disaster. The bill also provides important safeguards and tools to help ensure that federal disaster recovery efforts reach all impacted households, including the lowest-income and most marginalized survivors who are often hardest-hit by disasters and have the fewest resources to recover.

The Reforming Disaster Recovery Act is strongly supported by NLIHC and the NLIHC-led Disaster Housing Recovery Coalition (DHRC) - a group of over 900 local, state, and national organizations working to ensure that all disaster survivors receive the assistance they need to recover. The bipartisan bill contains [critical reforms](#) proposed by DHRC members to help ensure the federal government's long-term disaster recovery program, HUD's Community Development Block Grant-Disaster Recovery (CDBG-DR) program, better serves disaster survivors with the lowest incomes. While CDBG-DR is often the only recovery tool available to the lowest-income disaster survivors, vital resources have been diverted or been slow to reach them because the program lacks permanent authorization. By permanently authorizing the program and instituting additional protections, the Reforming Disaster Recovery Act would help ensure that disaster recovery funds reach the most impacted survivors in time.

### ***Section 503 – Rural Housing Service Reform Act***

**Provision** – This section provides much needed reforms to rural housing programs, including ensuring continued rental assistance for renters in properties with expiring mortgages, making Section 515 properties easier for nonprofits to acquire, and streamlining processes to better serve rural communities.

NLIHC supports the “Rural Housing Services Reform Act” and was pleased to see its inclusion in the “ROAD to Housing Act.” The bill would help preserve affordable rental and homeownership opportunities for low-income people and families living in rural areas, cut red tape and encourage public-private partnerships to increase investment in the country’s rural housing supply. NLIHC will continue advocating for additional funding and needed reforms to address the need for affordable, accessible homes in rural and Tribal communities.

### ***Section 504 – New Moving to Work Cohort***

**Provision** – This section authorizes a new cohort that would add 20 or 25 (the text in inconsistent) public housing authorities (PHAs) to the existing 100 Expansion MTW PHAs and original 39 MTW PHAs. NLIHC has opposed the original MTW program and any further expansion until the existing 100 Expansion MTW PHAs have undergone a full evaluation. MTW PHAs are allowed to impose certain policies and requirements that other PHAs cannot, and it is vital to assess the impact of these policies on tenants. NLIHC is especially concerned about MTW PHAs imposing time limits, work requirements, and rent increases. The provision does prohibit PHAs in the new cohort from implementing these policies, however other policies and provisions allowed by the bill, could burden residents. In addition, it is unclear whether PHAs could request waivers of “Safe Harbor” provisions from HUD that could skirt the prohibition of work requirements, time limits, and increased rents.

NLIHC has long opposed the Moving to Work Demonstration and continues to oppose any further expansion until the 100 Expansion MTW PHAs have been fully evaluated. As a “demonstration,” the original 39 MTW PHAs were never subject to rigorous evaluation, and it is too soon to evaluate the more recent 100 Expansion MTW PHAs. MTW allows HUD to approve “waivers” of statutory and regulatory provisions, allowing policies and practices harmful to residents, such as work requirements, time limits, and rent payments far above 30% of a household’s adjusted income.

### ***Section 505 – Reducing Homelessness through Program Reform Act***

**Provision** – This section includes several provisions to ease administrative burdens, streamline inspection and income verification processes to get people into homes more quickly, and encourage collaboration between the various agencies, systems, and organizations that serve people experiencing homelessness.

Altogether, these provisions would improve existing homelessness and affordable housing programs by reducing administrative burden and enabling PHAs and homeless services providers to focus more of their effort on providing housing and services.

---

## TITLE 8 - COORDINATION, STUDIES, & REPORTING:

Title 8 requires interagency coordination between HUD, Department of Agriculture, and Department of Veterans Affairs for the purposes of sharing data, streamlining processes such as inspections, and increasing collaboration. Section 803 requires HUD to study the impacts of work requirements implemented by PHAs that are part of the MTW demonstration. NLIHC supports this provision, due to concerns over both the lack of evaluations of MTW policies and the impact of work requirements on low-income renters.

### ***Sec. 803 - Improving Self-Sufficiency of Families in HUD-Subsidized Housing***

**Provision** - This section directs HUD to conduct a study on the implementation of work requirements by public housing agencies, with an assessment of the challenges and benefits of work requirements on public housing agencies and families, including the effects on homelessness, poverty, asset building, job attainment, and public housing agency administrative capacity.

NLIHC supports this section. The statute authorizing the original 39 MTW PHAs called for HUD to assess the “demonstration” and for those PHAs to analyze the effect of MTW activities. That statute also required an evaluation of the MTW waivers granted to the original 39 MTW PHAs and required HUD to report the findings to Congress and recommend any appropriate legislative action. HUD has never conducted a study of the implementation of work requirements imposed by the original 39 MTW PHAs. While there is not a work requirements cohort among the later 100 Expansion MTW PHAs, only their cohort-specific topic (such as Asset Building or Landlord Incentives) will be subject to a rigorous evaluation. The 100 Expansion MTW PHAs can institute other MTW activities in addition to their cohort-specific MTW activity, but these additional MTW activities will not be a part of a rigorous evaluation. Therefore, any of the 100 Expansion MTW PHAs can institute work requirements, which will not be subject to rigorous evaluation. Section 803 will remedy this shortcoming.



# DEEPER ANALYSIS OF ROAD TO HOUSING ACT PROVISIONS & NLIHC PRIORITIES

## TITLE 1: IMPROVING FINANCIAL LITERACY

### ***Sec. 101: Reforms to Housing Counseling and Financial Literacy Programs***

- Adds performance review requirements for HUD-funded housing counseling agencies and measures that can be taken if the organization or entity providing assistance is not in compliance with program requirements, including termination of an existing HUD contract.
- Allows borrowers with covered mortgages who are 30 days or more delinquent on payments the opportunity to participate in available housing counseling.

## TITLE 2: BUILDING MORE IN AMERICA

### ***Sec. 201 - Rental Assistance Demonstration Program***

- Removes the 455,000-unit cap on the number of public housing units that public housing agencies (PHAs) can voluntarily convert to Project-Based Vouchers (PBVs) or Project-Based Rental Assistance (PBRA) under the Rental Assistance Demonstration (RAD). Also remove the current sunset date (September 30, 2029) for PHAs to apply for RAD conversion.
- Repeats the original statute's requirement for HUD to annually assess and publish the impact of RAD conversion on residents and adds two more elements to assess: the prevalence of residents staying at or returning to their former public housing developments after RAD conversion, and the impact of RAD conversion on residents' rights in the RAD Notices (that act like regulations) and PBV and PBRA regulations. Also requires HUD to publish these assessments each year.
- States that all tenant protections and rights in current law and regulations shall continue to apply for properties converted under RAD.

NLIHC has long opposed expanding or eliminating the RAD cap until HUD undertakes an evaluation on the impact RAD has on residents – as required by statute. Over the years, Congress has raised the cap from 60,000 units for the “demonstration” program to the current cap of 455,000 public housing units.

The RAD statute provided for some resident rights and protections, and RAD Notices (subregulatory documents that implement RAD) provided more specific and detailed resident rights and protections. However, since the beginning of RAD – and despite warnings from advocates – HUD has not adequately monitored how PHAs, property owners and managers, as well as HUD field staff, have complied with resident rights and protections. HUD Headquarters has not taken sufficient action to ensure compliance with resident rights and protections, nor has the department adequately addressed compliance problems highlighted by residents and advocates.

### ***Sec. 202 - Increasing Housing in Opportunity Zones***

- Allows HUD to give additional scoring weight to projects applying for competitive HUD grants if they are in an Opportunity Zone (OZ).

OZs were created by the 2017 Tax Cuts and Jobs Act and incentivizes investment in low-income areas. While there has been significant investment in multifamily housing, very little of the housing created using the incentive is affordable, in part because the incentive structure provides more benefit to investments with high returns, and rent-restricted housing does have the same returns as luxury or market rate housing. The provision in the bill would provide a scoring incentive for HUD projects in OZs, however this does not guarantee that the project will attract more private investment than it would otherwise.

NLIHC has concerns about the lack of affordable housing created with this incentive, and about the negative impacts on low-income communities such as displacement. There are no requirements to hire or train low-income zone residents or to pay living wages, create truly affordable housing, or create or preserve small businesses owned by or serving low-income zone residents. Nor are there protections to prevent displacement of low-income people or existing local small businesses as a result of OZ investments.

### ***Sec. 203 - Housing Supply Frameworks Act***

- Directs HUD to identify best practices in zoning and land use that will result in increased housing supply and develop “state zoning frameworks” and “local zoning frameworks” to assist state and local governments.
- Zoning and land use reforms to be considered may include reducing parking minimums, eliminating restrictions on accessory dwelling units (ADUs), increasing by-right uses, including duplex, triplex, or quadraplex buildings across cities or metropolitan areas, and policies to encourage transit-oriented development.

Zoning and land use reforms are a low, or even no cost way to create conditions for more housing supply. While affordable housing could result from these changes, it is not guaranteed. To build and preserve housing affordable to renters with the lowest incomes, public subsidies are needed.

### ***Sec. 204 - Whole-Home Repairs Act***

- Establishes and funds at \$30 million a five-year pilot program to provide funding for home repairs, including grants to low- and moderate-income homeowners, and forgivable loans to qualifying small landlords.
- Eligible repairs include accessibility improvements; addressing habitability and safety concerns; and energy and water efficiency, resilience, and weatherization.

### ***Sec. 205 - Community Investment and Prosperity Act***

- Increases the statutory cap on “public welfare investments” made by banks from 15% to 20%. “Public welfare investments” include investments affordable housing, small businesses, technical assistance, financial literacy, and other community development activities.



### ***Sec. 206 - Build Now Act***

- Allows for adjustments in Community Development Block Grant (CDBG) allocations based on a jurisdiction's "housing growth improvement rate," as defined in the provision.
- Jurisdictions with a "housing growth improvement rate" above the median of all eligible recipients, shall receive a bonus amount based on performance. Jurisdictions with a "housing growth improvement rate" below the median of all eligible recipients, shall have the allocation decreased by 10 percent.
- The provisions exempt certain jurisdictions with low rents and home values.

### ***Sec. 207 - Better Use of Intergovernmental and Local Development (BUILD) Housing Act***

- Designates certain HUD projects as "special projects," giving HUD the authority to delegate and coordinate environmental reviews required by the National Environmental Policy Act (NEPA).

### ***Sec. 208 - Unlocking Housing Supply Through Streamlined and Modernized Reviews Act***

- Allows HUD to reclassify certain housing-related activities for purposes of environmental reviews required by the National Environmental Policy Act (NEPA).

### ***Sec. 209 - Innovation Fund***

- Establishes and funds at \$1 billion over five years a competitive grant program for eligible entities that have increased their local housing supply.
- Grant funds can be used for a wide range of activities that support housing and community development, including the expansion of supply of "attainable housing," which the bill defines as housing that serves households with a variety of incomes, including those with incomes of 60% of area median income (AMI) or lower.

The innovation fund is designed to support affordable or mixed-income housing. Projects could serve renters with incomes under 60% AMI, for whom there is a need for more affordable homes, however there is no deeper income targeting to meet the needs of extremely low-income renters.

### ***Sec. 210 - Accelerating Home Building Act***

- Authorizes HUD to provide grants to eligible entities to select pre-reviewed designs for mixed-income housing structures with fewer than 25 units. "Pre-reviewed designs," also known as "pattern books," provide sets of construction plans that have been assessed and approved by localities for compliance with local laws and standards. Using these designs can expedite and streamline housing construction. The bill specifies at least 10% of authorized funding should be targeted to rural areas.

### ***Sec. 211 - Build More Housing Near Transit Act***

- Directs the Department of Transportation (DOT) to provide a scoring benefit to transit projects that demonstrate “pro-housing policies” along the project route. These policies include state or local actions that reduce or eliminate parking minimums, establish by-right approval for multifamily housing, reduce or eliminate minimum lots sizes, and encourage the development or preservation of housing units.

Incentivizing pro-housing policies is a low, or even no cost way to create conditions for more housing supply. While affordable housing could result from these changes, it is not guaranteed. To build and preserve housing affordable to renters with the lowest incomes, public subsidies are needed.

### ***Sec. 212 - Revitalizing Empty Structures into Desirable Environments (RESIDE) Act***

- Establishes a pilot grant program, the “Blighted Building to Housing Conversion Program,” which would provide grants to eligible entities to convert vacant and abandoned buildings, such as a warehouses, strip malls, or buildings with other industrial or commercial use, into “attainable housing,” which serves households with a variety of incomes, including those with incomes of 60% of area median income (AMI) or lower.
- The bill would set aside up to \$100 million in funding from the Home Investment Partnerships Program (HOME) to carry out this provision, if the fiscal year’s HOME appropriation is over \$1.35 billion.

For rental projects with five or more HOME-assisted units, the HOME program requires a set-aside for households earning 50% of AMI or less. Projects using pilot program grants should be subject to the same income requirements to ensure the program is serving low-income households.

In FY24 and FY25, HOME was funded at \$1.25 billion. While HOME appropriations have exceeded \$1.35 billion in previous years, current HOME appropriations would not be high enough for this pilot to be funded.

### ***Sec. 213 - Housing Affordability Act***

- Directs the Commissioner of the Federal Housing Administration (FHA), in consultation with the Secretary of HUD, to conduct a study to assess the current multifamily loan limits for each multifamily mortgage insurance program, whether the Commissioner has sufficient authority to set loan limits, and the potential impacts of altering the calculations for annual adjustments.
- Authorizes the Secretary of HUD to conduct notice and comment rulemaking to increase the multifamily loan limits. The provision lists per unit loan limits based on the insurance program and type of building.
- Note: According to the bill leads, the loan limits have not been updated since 2003 (although they are adjusted for inflation).

This provision would expand access to affordable financing, bringing down costs to build multifamily housing. The proposed increased per-unit limits are up to four times the previous limit. The limits were designed to exclude high-end luxury housing, but industry advocates say the limits have not kept up with increasing construction costs. In their study, the FHA and HUD should assess the impact of changes to the loan limits on access to financing for affordable housing. Loan limits should still meet the goal of excluding high-end luxury housing from receiving this coverage.

## **TITLE 3 - MANUFACTURED HOUSING FOR AMERICA**

### ***Sec. 301 - Housing Supply Expansion Act***

- Removes a HUD requirement that manufactured homes be constructed with a permanent chassis.

Manufactured homes are an essential source of affordable housing, especially in rural areas. They are significantly less expensive to build, and manufactured homebuyers typically have significantly lower incomes than those of site-built homebuyers. This provision would further reduce costs and expand design and location possibilities for manufactured housing.

### ***Sec. 302 - Modular Housing Production Act***

- Directs the HUD Secretary to review Federal Housing Administration (FHA) construction financing programs and identify barriers to the use of modular home methods, including financing program features such as construction draw schedules, and to initiate rulemaking to examine an alternative draw schedule for modular and manufactured housing.
- Authorizes the HUD Secretary to award a grant to study the design and feasibility of a standardized commercial code for modular homes.

Modular housing is an important piece to the puzzle of creating more supply. One of the financing challenges for modular projects is related to the construction draw process. Compared to site-built housing, modular projects need more capital at the beginning of the project, and traditional loan draw schedules have the draws more evenly spread out.

While modular construction can be used to create affordable housing, federal investments are required in order to ensure housing opportunities are reaching those with the most urgent affordable housing needs.

### ***Sec. 303 - Property Improvement and Manufactured Housing Loan Modernization Act***

- Increases loan limits for HUD-insured loans for property improvements to manufactured homes; clarifies that property improvement loans may be used for the construction of accessory dwelling units (ADUs).
- Directs HUD to conduct a study of off-site construction housing, including modular and manufacture housing, including an analysis of advantages, quality standards, costs of time, and opportunities for multifamily housing.

### **Sec. 304 - PRICE Act**

- Reauthorizes the Preservation and Reinvestment for Community Enhancement (PRICE) grant program, which provides grants to eligible recipients to develop or improve eligible manufactured housing communities. Activities can include community infrastructure, repair of homes, community services, or other activities that improve living conditions or protect the health and safety of manufactured community residents.
- Eligible manufactured housing communities must be affordable to low- and moderate-income people, and either owned by the residents (for example, through a cooperative), or maintained as an affordable community to the maximum extent practicable and the longest period feasible.

## **TITLE 4 - ACCESSING THE AMERICAN DREAM:**

### **Sec. 401 - Creating Incentives for Small Dollar Loan Originators**

- Directs the Director of the Bureau of Consumer Financial Protection to submit a report to the Senate and House of Representatives on loan originator compensation packages throughout the residential mortgage market, the effect of compensation approaches on the availability of small dollar mortgages (less than \$100,000), and other potential barriers to small dollar mortgage lending.
- Allows the Director of the Bureau of Consumer Financial Protection to issue regulations to clarify loan originator compensation for small dollar mortgages.

### **Sec. 402 - Small Dollar Mortgage Points and Fees**

- Directs the Director of the Bureau of Consumer Financial Protection, in consultation with the Secretary of HUD to evaluate the impact of existing transaction thresholds on small dollar mortgages (less than \$100,000).
- Allows the Director of the Bureau of Consumer Financial Protection to initiate rulemaking to amend limitations of points and fees to encourage lending for small dollar mortgages.

### **Sec. 403 - Appraisal Industry Improvement Act**

- Authorizes state-licensed appraisers to conduct appraisals of home with FHA mortgages in the state in which they are licensed.
- Supports grants for training and education to address appraiser industry workforce needs.

### **Sec. 404 - Helping More Families Save Act**

- Creates a pilot program under HUD's Family Self-Sufficiency (FSS) program that establishes and manages interest-bearing escrow accounts for up to 5,000 families either living in public housing or receiving rental assistance.
- Families living in public housing or receiving rental assistance pay a specified percentage of their income toward their rent payment. If the household's income increases, their rent increases proportionally. Under this pilot, the additional rent payment made due to an increase in income would go into an escrow account for future savings.

While it is vital to provide households receiving HUD assistance with the option of creating a savings or escrow account, the decision to participate in such a program should be left up to the household.

### ***Sec. 405 - Choice in Affordable Housing Act***

- Amends policies to allow housing choice voucher (HCV) inspection requirements to be satisfied if an inspection was done in the last 12 months for units in properties with Low Income Housing Tax Credit (LIHTC), Home Investment Partnerships (HOME), or Rural Housing Service (RHS) financing.
- Allows for remote and video inspections and allows for new landlords to have their dwelling units pre-inspected before the unit is selected by a renter.

While this is a step in the right direction, NLIHC and our partners will continue advocating for additional reforms to the HCV program that increase voucher uptake, including landlord outreach and incentives, security deposit assistance, prohibition of source of income discrimination, and increasing the number of metropolitan areas that are required to use small fair market rents.

In addition to reforms, the HCV program should be expanded so that it reaches all eligible households. At current funding levels, only one in four households who are eligible to receive a voucher have one; full funding for the HCV program would help ensure families struggling to pay rent would be able to afford a safe, stable, home.

## **TITLE 5 - PROGRAM REFORM**

### ***Sec. 501 - Reforming Disaster Recovery Act***

- Would permanently authorize the Community Development Block Grant - Disaster Recovery (CDBG-DR) program, which provides states, tribes, and communities with flexible, long-term recovery resources needed to rebuild affordable housing and infrastructure after a disaster.
- Creates a standard disaster recovery fund to disperse initial recovery funds to disaster-impacted areas
- Requires the use of recovery funds to be balanced between renters and homeowners, and infrastructure and housing repair and construction
- Requires states to prioritize activities that assist extremely low-, low-, and moderate-income households in recovering and preparing for future disasters
- Maintains the requirement that 70% of funds benefit low- and moderate-income households
- Streamlines ability of HUD to share federally collected data with grantees
- Requires grantees to certify funds will be administered in compliance with federal law, including civil rights and fair housing.

- Authorizes the release of disaster recovery data to academic and research institutions to study the distribution of recovery funds and their impact on recovery
- Establishes an Office of Disaster Management and Resiliency at HUD to develop best practices and coordinate training and technical assistance
- Create minimum construction standards for areas designated as Hazard-Prone by HUD and FEMA
- Provides additional funds to grantees for disaster mitigation projects

The Reforming Disaster Recovery Act is strongly supported by NLIHC and the NLIHC-led Disaster Housing Recovery Coalition (DHRC) - a group of over 900 local, state, and national organizations working to ensure that all disaster survivors receive the assistance they need to recover. The bipartisan bill contains [critical reforms](#) proposed by DHRC members to help ensure the federal government's long-term disaster recovery program, HUD's Community Development Block Grant-Disaster Recovery (CDBG-DR) program, better serves disaster survivors with the lowest incomes. While CDBG-DR is often the only recovery tool available to the lowest-income disaster survivors, vital resources have been diverted or been slow to reach them because the program lacks permanent authorization. By permanently authorizing the program and instituting additional protections, the Reforming Disaster Recovery Act would help ensure that disaster recovery funds reach the most impacted survivors in time.

### ***Sec. 502 - HOME Investment Partnerships Reauthorization and Improvement Act***

- Reauthorizes the Home Investment Partnerships Program (HOME), and makes changes to streamline the program
- Clarifies rules to make it easier for HOME funds to be used to support community land trusts (CLTs)
- Adds "small-scale housing" (up to 4 rental units) to allowable uses of HOME funds; exempts "small-scale housing" from certain tenant-selection requirements.
- Strengthens HUD's compliance and enforcement.

### ***Sec. 503 - Rural Housing Service Reform Act***

- Permanently allows decoupling for USDA's Section 521 Rental Assistance (RA) program and maturing Section 515 mortgage loans, which will allow USDA to renew RA contracts and keep rural residents stably housed, maintain tenant protections and housing affordability
- Permanently authorizes the Multifamily Housing Preservation and Revitalization Demonstration (MPR), improving USDA's Section 542 voucher program to better serve voucher holders
- Maintains rental assistance for families living in USDA-supported properties going through the foreclosure process
- Allows USDA Rural Development Voucher subsidies to increase when a household's income changes



- Updates Section 502 loan guarantees to include accessory dwelling and home daycare
- Requires faster approval timelines for Section 502 Single-Family Housing Loans and Section 504 loans or grants, which help very low-income homeowners remove immediate health and safety hazards
- Requires a GAO report on the impacts of Rural Housing Service's outdated technology, underfunding, and staffing needs

NLIHC supports the "Rural Housing Services Reform Act" and was pleased to see its inclusion in the "ROAD to Housing Act." The bill would help preserve affordable rental and homeownership opportunities for low-income people and families living in rural areas, cut red tape and encourage public-private partnerships to increase investment in the country's rural housing supply. NLIHC will continue advocating for additional funding and needed reforms to address the need for affordable, accessible homes in rural and Tribal communities.

### ***Sec. 504 - New Moving to Work Cohort***

- Authorizes an additional Moving to Work (MTW) Expansion Cohort titled "Economic Opportunity and Pathways to Independence" that would add 25 or 20 (the text is inconsistent) public housing agencies (PHAs) to the existing 100 Expansion MTW PHAs and existing original 39 MTW PHAs.
- Prohibits the new MTW PHAs from imposing work requirements, time limits, and some types of rent increases, and prohibits waiving the "Safe Harbor" requirements designed to limit the impact of a prohibited MTW policy waiver.
- Requires HUD to conduct an ongoing assessment of all MTW Expansion PHAs (the first 100 Expansion, plus the new Cohort) and make these assessments publicly available online.
- Requires HUD to work with advisory committees for each MTW Expansion Cohort to establish a research program to evaluate the outcomes and effectiveness of MTW Expansion PHAs. This evaluation applies to any waivers HUD grants, not just Cohort-specific waivers.
- Requires HUD to submit an annual, publicly available report to Congress addressing an extensive list of evaluation items, including impacts of MTW waivers on tenants. HUD would be required to report on factors including tenant's share of rent, eviction rates, unit turn-over, and the reason a household is leaving public housing or the HCV program.
- Caps the amount of HCV funds a new MTW PHA can divert to "local, non-traditional activities," such as helping finance Low Income Housing Tax Credit (LIHTC) units, at 5% of total HCV funds. The cap therefore limits the extent to which a new MTW PHA can reduce the number of households served with a voucher. New MTW PHAs would not see their funding reduced if they used 5% of HCV funds for such activities.
- A new MTW PHA choosing to undertake an asset building program may provide opt-out savings or escrow accounts and may include tenant reporting of positive rental payments to consumer reporting agencies.

NLIHC has long opposed the Moving to Work Demonstration and continues to oppose any further expansion until the 100 Expansion MTW PHAs have been fully evaluated. As a “demonstration,” the original 39 MTW PHAs were never subject to rigorous evaluation, and it is too soon to evaluate the more recent 100 Expansion MTW PHAs. MTW allows HUD to approve “waivers” of statutory and regulatory provisions, allowing policies and practices harmful to residents, such as work requirements, time limits, and rent payments far above 30% of a household’s adjusted income.

The bill still allows other waivers that enable other forms of rent increases and allows HCV payment standards as low as 80% of the Fair Market Rent (FMR). It also allows the new MTW PHAs to seek HUD approval to waive Safe Harbor provisions of otherwise allowable MTW policies, which could further burden residents.

As the bill advances, NLIHC and our partners will continue to push for limits on the MTW program and protections for tenants, including prohibitions on new MTW PHAs from waiving Family Self-Sufficiency program requirements, and other HUD program requirements if a PHA has an existing self-sufficiency and training program. Absent these prohibitions, a new MTW PHA could require non-elderly and non-disabled households to participate in such programs and could allow changes in resident participation contracts. Advocates are concerned that allowing these MTW waivers could lead to backdoor work requirements, time limits, and rent increases.

### ***Sec. 505 - Reducing Homelessness through Program Reform Act***

- Eases administrative burden for HUD-funded homeless services providers by allowing HUD to move the time-intensive Continuum of Care funding application from annual to every other year.
- Allows pre-inspection and pre-leasing of housing units to more quickly offer housing to people experiencing homelessness.
- Streamlines the Housing Choice Voucher program’s income verification process.
- Directs HUD to study the hiring, retention, and compensation of staff at homeless service organizations.
- Encourages collaboration between healthcare systems, supportive services, criminal legal systems, Department of Veterans Affairs, job service agencies, and homeless service providers to better coordinate services and reduce returns to homelessness or the criminal legal system.

Enhances data collection and coordination to assess and improve the effectiveness of interventions to house individuals experiencing or at risk of homelessness. Altogether, these provisions would improve existing affordable housing and homelessness programs by reducing administrative burden while enabling PHAs and homeless services providers to focus more of their effort on providing housing and services. NLIHC also appreciates the focus on using data to better understand the effective targeting of scarce resources.

### ***Sec. 506 - Incentivizing Local Solutions to Homelessness***

- Allows recipients of Emergency Solutions Grant to request a waiver to their funding cap on emergency shelter beds and street outreach by demonstrating local need and a detailed plan of how the recipient intends to use funds.

## **TITLE 6 - VETERANS AND HOUSING**

### ***Sec. 601 - VA Home Loan Awareness Act***

- Requires Fannie Mae and Freddie Mac to add language to the Uniform Residential Loan Application to let people who have served in the military know that they may be eligible for a Veteran's Affairs (VA) Home Loan.
- Directs the Comptroller General of United States to study and submit a report on compliance with the new requirement.

### ***Sec. 602 - Veterans Affairs Loan Informed Disclosure (VALID) Act***

- Requires the addition of information about VA loans to the FHA Informed Consumer Choice Disclosure notice, which provides comparative information about loan options.
- Requires the addition of a military service question to the Uniform Residential Loan Application.

### ***Sec. 603 - Housing Unhoused Disabled Veterans Act***

- Requires HUD to exclude income from any disability benefits for the purposes of determining eligibility of a veteran to rent a unit with housing assistance through the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program.

## **TITLE 7 - OVERSIGHT AND ACCOUNTABILITY**

### ***Sec. 701 - Requiring Annual Testimony and Oversight from Housing Regulators***

- Requires the Secretary of HUD to testify annually before the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services.
- Requires the following individuals to testify annually to Congress with respect to mortgage loans made, guaranteed, or insured by the Federal Governments: President of Government National Mortgage Association (Ginnie Mae); Federal Housing Commissioner; Administrator of the Rural Housing Service; Executive Director of the Loan Guaranty Service of the Department of Veterans Affairs; Director of the Federal Housing Finance Agency (FHFA).

### ***Sec. 702 - FHA Reporting Requirements on Safety and Soundness***

- Requires the Federal Housing Administration (FHA) to report monthly to Congress of the mutual mortgage insurance (MMI) fund capital ratio and notify Congress in the fund falls below the required capital ratio, which is 2%.

- Note: The MMI fund capital ratio is a performance measure of FHA's portfolio and is the ratio of the capital reserve to the total amount of mortgage insured by the fund. In September 2024, the MMI fund capital ratio was 11.47%, significantly higher than the required minimum ratio of 2%
- Requires an annual study on FHA loans originated to first-time homebuyers.
- Requires a Government Accountability Office (GAO) study on sustainable homeownership

### ***Sec. 703 - United States Interagency Council on Homelessness (USICH) Oversight***

- Requires USICH to submit a report annually to the President and Congress on the status of the Strategic Plan to End Homelessness; requires USICH to testify annually before Congress.

### ***Sec. 704 - NeighborWorks Accountability Act***

- Adds the Neighborhood Reinvestment Corporation (aka NeighborWorks America) to the list of designated Federal entities that are required to have an Office of Inspector General and requires an annual audit by an independent external auditor.

### ***Sec. 705 - Appraisal Modernization Act***

- Strengthens consumers' right to appeal a home valuation or request a second appraisal.
- Requires the Comptroller General of the United States to issue a public report to Congress of the feasibility of a publicly available appraisal database

## **TITLE 8 - COORDINATION, STUDIES, & REPORTING**

### ***Sec. 801 - HUD-USDA-VA Interagency Coordination Act***

- Requires a Memorandum of Understanding between the Secretaries of HUD, Agriculture, and Veterans Affairs stating that they will share relevant housing-related research and market data.
- Requires an interagency report from the Secretaries of HUD, Agriculture, and Veterans Affairs includes opportunities for increased collaboration, a list of Federal laws and regulations that affect the availability and affordability of new construction of single family and multifamily housing, and recommendations to Congress regarding this list.

### ***Sec. 802 - Streamlining Rural Housing Act***

- Requires a Memorandum of Understanding between the Secretaries of HUD, and Agriculture to evaluate environmental review processes for housing development, including the feasibility of a joint physical inspection process for project funded by both HUD and the Department of Agriculture.
- Requires the Secretary of HUD and Secretary of Agriculture to establish an advisory working group to consult on the memorandum of understanding.

### ***Sec. 803 – Improving Self-Sufficiency of Families in HUD-Subsidized Housing***

- Requires HUD to conduct a study on the implementation of work requirements implemented prior to this bill by public housing agencies (PHAs) that are part of the Moving to Work demonstration.
- The study shall consider the benefits and challenges of work requirements on PHAs, and the effects of work requirements on homelessness rates, poverty rates, asset building, earnings growth, job attainment and retention and PHAs' administrative capacity. The study shall include interviews with program participants and PHA resident councils.

NLIHC supports this section. The statute authorizing the original 39 MTW PHAs called for HUD to assess the “demonstration” and for those PHAs to analyze the effect of MTW activities. That statute also required an evaluation of the MTW waivers granted to the original 39 MTW PHAs and required HUD to report the findings to Congress and recommend any appropriate legislative action. HUD has never conducted a study of the implementation of work requirements imposed by the original 39 MTW PHAs. While there is not a work requirements cohort among the later 100 Expansion MTW PHAs, only their cohort-specific topic (such as Asset Building or Landlord Incentives) will be subject to a rigorous evaluation. The 100 Expansion MTW PHAs can institute other MTW activities in addition to their cohort-specific MTW activity, but these additional MTW activities will not be a part of a rigorous evaluation. Therefore, any of the 100 Expansion MTW PHAs can institute work requirements, which will not be subject to rigorous evaluation. Section 803 will remedy this shortcoming.