



March 4, 2026

Senator Tim Scott
Chair
Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Representative French Hill
Chair
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20510

Senator Elizabeth Warren
Ranking Member
Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20515

Representative Maxine Waters
Ranking Member
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

RE: Support for Key Affordable Homeownership Provisions in a Final Housing Package

Dear Chair Scott, Chair Hill, Ranking Member Warren, and Ranking Member Waters,

As members of the Homeownership Alliance¹, we write to express our sincere appreciation for your leadership and steadfast commitment to advancing meaningful housing reforms aimed at addressing our nation's persistent housing supply shortage. Both the ROAD to Housing Act and the Housing for the 21st Century Act serve as forward-looking bills that take a comprehensive approach to confronting today's housing challenges. By pairing impactful supply-side reforms with thoughtful modernization of key federal housing programs, these bills represent some of the most significant and constructive housing initiatives in recent years and lay the groundwork for expanding access to affordable homeownership nationwide. As the two chambers work to reconcile their respective bills, we urge you to ensure the following priorities are incorporated into any final legislative package.

Implement Broad HOME Program Reforms (Senate Section 502 and House Sec. 201): Updating HUD's HOME Investment Partnerships Program to expand eligibility, allow greater flexibility for housing-related infrastructure, and streamline environmental reviews will reduce costs and accelerate delivery of affordable homeownership opportunities. In addition to incorporating the House's iteration of programmatic reform, as outlined in the HOME Reform Act of 2025, we also urge Congress to reauthorize the program and remove barriers so that Community Housing Development Organizations (CHDOs), Community Land Trusts (CLTs) and nonprofits can secure more HOME funding for affordable housing projects. The enhanced support in both bills for owner-occupied housing, rehabilitation, down payment assistance, shared equity, and infrastructure would better equip communities to meet local housing needs.

Enact the Unlocking Housing Supply Through Streamlined and Modernized Reviews Act (Senate Sec. 207–208 and House Sec. 104): Both chambers' action to modernize and streamline the NEPA review process for federally supported housing activities represents a pivotal step toward removing unnecessary regulatory burdens that drive up costs and delay urgently needed housing. By expediting review for small-scale construction, rehabilitation, and infill development, these

¹ Established in 2021, the Homeownership Alliance is a practitioner-led coalition of 20 CDFIs and nonprofit housing developers serving 16 states. The Homeownership Alliance represents a coalition of nonprofit organizations dedicated to fostering housing stability and wealth creation through homeownership.

reforms would meaningfully reduce administrative burdens without compromising core environmental protections. Authorizing HUD to designate certain housing assistance as “special projects” further strengthens this effort, ensuring greater efficiency, predictability, and timeliness in bringing new homes online. We strongly encourage Leadership to preserve these reforms in the final package so communities can deliver housing more quickly and cost-effectively.

Update Provisions on Housing Counseling Services (Senate Sec. 101 and House Sec. 405): High-quality housing counseling is a vital pillar of a healthy housing market, providing the foundation for long-term borrower success. We are encouraged that both the ROAD to Housing Act and the Housing for the 21st Century Act align in providing a sustainable stream of support for post-purchase counseling, a critical resource for strengthening the performance and stability of the FHA mortgage portfolio. As the two chambers reconcile these bills, we strongly recommend adopting the House’s provisions for oversight (Sec. 405). These provisions incorporate essential industry insights on the most effective ways to ensure strong performance among housing counselors while simultaneously reducing the government’s administrative burden. Retaining these refined oversight standards in a final legislative package will protect the integrity of the homeownership ecosystem and ensure families receive the expert guidance necessary to prevent default and build lasting wealth.

Include the Whole Home Repairs Act (Senate Sec. 204): Establishing a pilot program to provide grants and forgivable loans for critical home repairs is essential to helping low- and moderate-income (LMI) homeowners maintain safe, stable, and habitable housing. By addressing deferred maintenance before it becomes a crisis, the Whole Home Repairs Act helps prevent displacement, preserves naturally occurring affordable housing, and protects long-term affordability for owner-occupants. The legislation has already been incorporated in the Senate’s ROAD to Housing, and has also garnered broad bipartisan support in the House, having been introduced by Reps. Downing (R-MT) and Williams (D-GA) earlier this year. As such, we respectfully urge Committee leadership in both chambers to incorporate the Whole Home Repairs Act into any final housing agreement.

Incorporate the Reforming Disaster Recovery Act (Senate Sec. 501): The Reforming Disaster Recovery Act takes meaningful steps forward in addressing our nation’s persistent supply shortages. Formally authorizing CDBG-DR and creating a permanent Office of Disaster Management and Resiliency at HUD would bring long-overdue structure, transparency, and predictability to the rebuilding process, enabling homeowners and communities to recover more efficiently after disasters. We encourage Committee leaders to carry these provisions forward in any final housing agreement.

Support CDBG for New Affordable Housing Construction (House Sec. 202): Expanding CDBG eligibility to support new affordable housing construction would provide communities with a powerful, flexible tool to address housing shortages and rising costs. The House’s approach of linking expanded construction authority with increased transparency around land-use policies and publicly owned land strikes an appropriate balance between flexibility and accountability. As such, we encourage Leadership to adopt the same or similar provisions in a final agreement to ensure CDBG can more effectively drive new housing production and expand affordability nationwide.

Removing Outdated Manufactured Housing Requirements (Senate Sec 301; House Sec 301): Factory-built housing is a critical source of affordable supply, yet stubborn barriers remain to building and placing manufactured homes in many communities. Removing the chassis requirement is expected to advance the acceptance of manufactured housing in a wider range of markets and scale new, attainable housing supply. Without the chassis, manufactured homes can be set

closer to the ground on permanent foundations, improving the exterior's aesthetic and curb appeal. The option to build manufactured homes without a chassis creates new opportunities for urban infill, small-lot subdivisions, and multi-story designs, while maintaining safety and quality standards dictated by the federal HUD Code.

Removing the chassis requirement will reduce costs for home buyers and developers, increasing wealth-building opportunities, and expanding attainable housing supply in urban and suburban areas. Estimates from industry leaders project cost savings between \$4,000 and \$13,000 per single-story home on a permanent foundation, and \$24,000 in savings for two-story off-chassis homes. This change simply creates another tool to meet demand for affordable starter homes.

Enhancements to expand access to credit for repair loans, manufactured housing and accessory dwelling units (Senate Sec. 303)

Updating the loan limits for FHA's Title I loan insurance program would allow more consumers to finance property improvements or the acquisition of a manufactured home titled as personal property. In addition to making these products work for home improvement and manufactured home acquisition, it would also provide a new financing vehicle for accessory dwelling units.

Together, these changes will help to increase the supply of affordable housing that meets the needs of families and communities. Because the program is structured as a risk-share between FHA and the lender, risk to the taxpayer is mitigated while facilitating liquidity to address housing supply and preservation needs. Moreover, the program is operated as a negative credit subsidy program, yielding receipts to the government rather than costing it money. More technical changes are needed to strengthen the Title I program and we urge both chambers to prioritize technical edits under consideration and incorporate them into the final bill.

Expand Reforms for the Rural Housing Service (Senate Sec. 503 and House Sec. 204): Each chambers' respective bills take significant strides to meaningfully update the Rural Housing Service (RHS). The Housing for the 21st Century Act specifically includes targeted RHS reforms, such as increasing the promissory note threshold for Section 504 home repair loans, establishing a 90-day processing goal for Sections 502 and 504 applications, and requiring USDA to provide annual performance reports to Congress — all of which would improve efficiency, transparency, and access to critical homeownership and repair assistance for rural homeowners. While these are constructive administrative improvements, we recommend any final package also incorporate the provisions outlined in the ROAD to Housing, which we believe, which would help to modernize USDA's Rural Housing Service by strengthening single-family programs, preserving the aging multifamily portfolio, improving agency technology and staffing capacity, and authorizing the Native CDFI Section 502 direct relending program following its successful pilot.

Bolster the Appraiser Workforce (Senate Sec. 403): The appraiser workforce is shrinking due to retirements and the cost to secure the appropriate appraisal certifications. The lack of appraisers is especially notable in rural and Native communities. This section helps bolster the appraiser workforce capacity, including by allowing both licensed and certified appraisers to conduct appraisals for FHA-insured mortgage lending transactions. FHA currently requires a higher standard of credentialing for appraisers than other loan programs, which needlessly increases costs and delays for homebuyers. Aligning with the broader market will increase the number of appraisers available to lenders and consumers, reducing appraisal completion timelines and costs for consumers.



Investor Home Purchases: As Congress contemplates added measures to the housing legislation related to institutional investor home purchases, we strongly recommend that individual homebuyers and affordable housing non-profits are prioritized whenever properties become available through foreclosures on federally backed mortgages. While private real estate transactions can be difficult to regulate, the federal government can—and should—establish strict protocols for the sale of government-backed single-family assets.

To achieve this, we recommend a universal “First Look” requirement across all government and GSE asset disposition channels. This should include defaulted loans sold to investors that later convert to real estate owned (REO) property via foreclosure or deed-in-lieu. A "First Look" policy grants homebuyers and mission-driven non-profits an exclusive window to purchase properties before they are opened to large-scale investors. Without this intervention, typical buyers and community organizations often cannot compete with the superior resources and speed of institutional firms.

"First Look" is a proven model, yet its application across government agencies and GSEs remains inconsistent. Since the foreclosure crisis, Homeownership Alliance members have utilized this mechanism to purchase, rehabilitate, and return thousands of properties to owner-occupants. To protect the integrity of this process, we also recommend establishing a Certified Buyer Program to ensure non-profit entities meet agency requirements prior to participating in a first-look program. By leveraging experienced third-party providers to verify eligibility and track long-term outcomes, the government can ensure these assets drive community revitalization rather than being absorbed by institutional interests.

When joined together, these provisions address both sides of the housing affordability challenge: increasing the supply of homes while strengthening the programs and resources that help families achieve and sustain homeownership. Ensuring these priorities are reflected in a final, bipartisan housing package would represent a meaningful step toward lowering costs, expanding opportunity, and promoting long-term housing stability nationwide. We are grateful for your leadership and stand ready to work with the Committee as this process continues. Please do not hesitate to contact NCST's Policy Department at policy@ncst.org with any questions or for additional information.

Sincerely,
The Homeownership Alliance

Atlanta Neighborhood Development Partnership
Casita Coalition
Center for NYC Neighborhoods
Community Housing Capital
come dream. come build.
Fahe
Hogar Hispano Inc.
Housing Development Fund
Intend Indiana
Next Step Network
NCST (National Community Stabilization Trust)
Neighborhood Housing Services of Chicago
Neighborhood Partnership Housing Services, Inc.
Neighborworks Columbus



New Jersey Community Capital
Pittsburgh Community Reinvestment Group
Self-Help Ventures Fund