

119TH CONGRESS  
1ST SESSION

# H. R. 6774

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.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2025

Ms. WATERS introduced the following bill; which was referred to the  
Committee on Financial Services

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## 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.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “FHA Small-Dollar  
5       Mortgages Act”.

6       **SEC. 2. FHA SMALL-DOLLAR MORTGAGES.**

7       (a) IN GENERAL.—Not later than 1 year after the  
8       date of the enactment of this section, the Secretary of

1 Housing and Urban Development, acting through the  
2 Federal Housing Commissioner, may establish a pilot pro-  
3 gram to increase access to small-dollar mortgages for  
4 mortgagors which may include—

5 (1) authorizing direct payments to mortgagees  
6 to incentivize the origination of small-dollar mort-  
7 gages;

8 (2) adjusting terms and costs imposed by the  
9 Federal Housing Administration with respect to  
10 small-dollar mortgages;

11 (3) providing direct grants for mortgagors who  
12 obtain small-dollar mortgages to cover costs associ-  
13 ated with—

14 (A) down payments;

15 (B) closing costs;

16 (C) appraisals; and

17 (D) title insurance;

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

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

22 (b) REPORT.—Beginning not later than 1 year after  
23 the establishment of the pilot program under subsection  
24 (a) and ending 1 year after the sunset of the pilot pro-

1 gram, the Federal Housing Commissioner shall submit to  
2 the Congress an annual report that—

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

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

8 (3) includes data with respect to—

9 (A) the number of small-dollar mortgages  
10 originated in the 10-year period preceding the  
11 date of the enactment of this section, including  
12 small-dollar mortgages insured or guaranteed  
13 by the Federal Government and small-dollar  
14 mortgages not insured by the Federal Govern-  
15 ment;

16 (B) the original principal balance of each  
17 small-dollar mortgage identified under subpara-  
18 graph (A);

19 (C) demographic information about the  
20 mortgagors associated with each such small-dol-  
21 lar mortgage; and

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

24 (4) provides a description of the fixed costs that  
25 are associated with mortgages and the impact of

1 such costs on the ability of lenders to earn a market  
2 rate return on small-dollar mortgages; and

3 (5) includes analysis, by regions of the United  
4 States, including rural regions, that identifies re-  
5 gions with the greatest need for, and the highest  
6 likelihood of, the origination of small-dollar mort-  
7 gages and regions that could benefit the most from  
8 increased availability of small-dollar mortgages.

9 (c) SUNSET.—The pilot program established under  
10 subsection (a) shall terminate on the date that is 4 years  
11 after the date on which the pilot program is established  
12 under subsection (a).

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

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

21 (1) has an original principal balance of  
22 \$100,000 or less; and

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

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