

119TH CONGRESS  
2D SESSION

# S. 3904

To amend the Internal Revenue Code of 1986 to deny interest and depreciation deductions for certain taxpayers, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 24, 2026

Ms. WARREN (for herself, Mr. MERKLEY, Ms. KLOBUCHAR, Ms. SMITH, Mr. BLUMENTHAL, Ms. DUCKWORTH, Mr. DURBIN, Mr. HEINRICH, Ms. HIRONO, Mr. KAINE, Mr. KIM, Mr. MARKEY, Mr. MURPHY, Mr. SCHATZ, Mr. SANDERS, Mr. SCHIFF, Mr. VAN HOLLEN, Mr. WELCH, and Mr. BOOKER) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to deny interest and depreciation deductions for certain taxpayers, 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 “American Homeowner-  
5 ship Act”.

1 **SEC. 2. DISALLOWANCE OF DEDUCTION FOR INTEREST**  
2 **PAID ON REAL PROPERTY OWNED BY CER-**  
3 **TAIN REAL PROPERTY OWNERS.**

4 (a) IN GENERAL.—Section 163 of the Internal Rev-  
5 enue Code of 1986 is amended by redesignating subsection  
6 (n) as subsection (o) and by inserting after subsection (m)  
7 the following new subsection:

8 “(n) INTEREST PAID ON RESIDENTIAL RENTAL  
9 PROPERTY OWNED BY CERTAIN REAL PROPERTY OWN-  
10 ERS.—

11 “(1) IN GENERAL.—No deduction shall be al-  
12 lowed under this chapter for any interest paid or ac-  
13 crued in connection with—

14 “(A) any applicable residential property in  
15 which an institutional investment entity (di-  
16 rectly or indirectly) holds a majority interest, or

17 “(B) single-family residential property in  
18 which a large owner (directly or indirectly)  
19 holds a majority interest.

20 “(2) EXCEPTION FOR SALES TO INDIVIDUALS  
21 OR QUALIFIED NONPROFIT ORGANIZATIONS.—

22 “(A) IN GENERAL.—Paragraph (1) shall  
23 not apply with respect to interest paid or ac-  
24 crued in the taxable year in which applicable  
25 residential property is sold.

1           “(B) EXCEPTION.—Subparagraph (A)  
2 shall not apply unless the sale described in such  
3 subparagraph is—

4           “(i) a sale to an individual for use as  
5 the principle residence of the individual  
6 (within the meaning of section 121), or

7           “(ii) a sale to any qualified nonprofit  
8 organization.

9           “(C) QUALIFIED NONPROFIT ORGANIZA-  
10 TION.—

11           “(i) IN GENERAL.—For purposes of  
12 this paragraph, the term ‘qualified non-  
13 profit organization’ means any organiza-  
14 tion which—

15           “(I) is not organized for profit,  
16 and

17           “(II) has as a principal purpose  
18 the creation, development, or preser-  
19 vation of affordable housing.

20           “(ii) CERTAIN ORGANIZATIONS IN-  
21 CLUDED.—The term ‘qualified nonprofit  
22 organization’ shall include—

23           “(I) any community development  
24 corporation (as defined in section  
25 204(b) of the Department of Veterans

1 Affairs and Housing and Urban De-  
2 velopment, and Independent Agencies  
3 Appropriations Act, 1997 (12 U.S.C.  
4 1715z-11a(b))),

5 “(II) any community housing de-  
6 velopment organization (as defined in  
7 section 104 of the Cranston-Gonzalez  
8 National Affordable Housing Act (42  
9 U.S.C. 12704)),

10 “(III) any community-based de-  
11 velopment organization qualified  
12 under section 570.204 of title 24,  
13 Code of Federal Regulations, as in ef-  
14 fect on the date of the enactment of  
15 this subsection,

16 “(IV) any land bank,

17 “(V) any resident-owned coopera-  
18 tive or community land trust, and

19 “(VI) any subsidiary of a public  
20 housing agency (as defined in section  
21 3(b)(6) of the United States Housing  
22 Act of 1937 (42 U.S.C.  
23 1437a(b)(6))).

24 “(iii) LAND BANK.—For purposes of  
25 this subparagraph, the term ‘land bank’

1 means a government entity, agency, or pro-  
2 gram, or a special purpose nonprofit entity  
3 formed by one or more units of govern-  
4 ment in accordance with State or local  
5 land bank enabling law, that has been des-  
6 ignated by one or more State or local gov-  
7 ernments to acquire, steward, and dispose  
8 of vacant, abandoned, or other problem  
9 properties in accordance with locally deter-  
10 mined priorities and goals.

11 “(iv) COMMUNITY LAND TRUST.—For  
12 purposes of this subparagraph, the term  
13 ‘community land trust’ means a nonprofit  
14 entity, a State, a unit of local government,  
15 or an instrumentality of a State or unit of  
16 local government that—

17 “(I) is not managed by, or an af-  
18 filiate of, a for-profit organization,

19 “(II) has as a primary purpose of  
20 acquiring, developing, or holding land  
21 to provide housing that is perma-  
22 nently affordable to low- and mod-  
23 erate-income persons,

24 “(III) monitors properties to en-  
25 sure affordability is preserved,

1           “(IV) provides housing that is  
 2           permanently affordable to low- and  
 3           moderate-income persons using a  
 4           ground lease, deed covenant, or other  
 5           similar legally enforceable measure,  
 6           determined acceptable by the Sec-  
 7           retary, that—

8                   “(aa) keeps housing afford-  
 9                   able to low- and moderate-income  
 10                  persons for not less than 30  
 11                  years, and

12                   “(bb) enables low- and mod-  
 13                   erate-income persons to rent or  
 14                   purchase the housing for home-  
 15                   ownership, and

16           “(V) maintains preemptive pur-  
 17           chase options to purchase the prop-  
 18           erty if such purchase would allow the  
 19           housing to remain affordable to low-  
 20           and moderate-income persons.

21           “(3) EXCEPTION FOR NEW SINGLE-FAMILY  
 22           HOUSING.—

23                   “(A) IN GENERAL.—In the case of a sin-  
 24                   gle-family residential property the original use  
 25                   of which begins with an eligible taxpayer after

1 December 31, 2023, paragraph (1) shall not  
2 apply to interest paid or accrued by such eligi-  
3 ble taxpayer with respect to such property in  
4 any taxable year during the 5-taxable-year pe-  
5 riod beginning with the taxable year in which  
6 property is placed in service.

7 “(B) ELIGIBLE TAXPAYER.—For purposes  
8 of this paragraph, the term ‘eligible taxpayer’  
9 means the person who constructed the single-  
10 family residential property.

11 “(4) EXCEPTION FOR NEW MULTI-FAMILY  
12 HOUSING.—

13 “(A) IN GENERAL.—Paragraph (1) shall  
14 not apply to any multi-family residential prop-  
15 erty the original use of which begins with an el-  
16 igible taxpayer after December 31, 2023.

17 “(B) ELIGIBLE TAXPAYER.—For purposes  
18 of this paragraph, the term ‘eligible taxpayer’  
19 means the person who constructed the multi-  
20 family residential property.

21 “(C) MULTI-FAMILY RESIDENTIAL PROP-  
22 erty.—For purposes of this paragraph, the  
23 term ‘multi-family residential property’ means  
24 any applicable residential property which has 5

1 or more dwelling units (as defined in section  
2 168(e)(2)(A)(ii)(I)).

3 “(5) EXCEPTION TO PRESERVE UNINHABIT-  
4 ABLE HOUSING.—

5 “(A) IN GENERAL.—In the case of any in-  
6 terest paid or accrued with respect to debt  
7 which is incurred for the primary purpose of  
8 substantially rehabilitating previously uninhab-  
9 itable applicable residential property, paragraph  
10 (1) shall not apply to interest paid or accrued  
11 in any taxable year during the 5-taxable-year  
12 period beginning with taxable year in which  
13 such debt is originally paid or accrued.

14 “(B) UNINHABITABLE.—For purposes of  
15 this paragraph, the term ‘uninhabitable’ means,  
16 with respect to applicable residential property,  
17 property that is not fit for human occupancy,  
18 contains serious defects posing risks to health  
19 or safety, or does not meet structural or core  
20 system elements of local building codes.

21 “(C) SUBSTANTIAL REHABILITATION.—  
22 For purposes of this paragraph, the term ‘sub-  
23 stantial rehabilitation’ means, with respect to  
24 applicable residential property, structural re-  
25 pairs or rebuilding, with the cost of rehabilita-

1           tion generally being a significant portion of the  
2           property’s value after the work is completed.

3           “(6) EXCEPTION FOR AFFORDABLE HOUS-  
4           ING.—Paragraph (1) shall not apply to any interest  
5           paid or accrued with respect to any property—

6                   “(A) which is Federally assisted housing  
7                   (as defined in section 579 of the Quality Hous-  
8                   ing and Work Responsibility Act of 1998), or

9                   “(B)(i) which—

10                           “(I) has received an allocation of  
11                           housing credit dollar amount under section  
12                           42(h) for such taxable year or any prior  
13                           taxable year, or

14                           “(II) is a building described in section  
15                           42(h)(4)(B), and

16                           “(ii) for which an extended low-income  
17                           housing commitment described in section  
18                           42(h)(6) is in effect as of the end of the taxable  
19                           year.

20           “(7) DEFINITIONS.—For purposes of this sub-  
21           section—

22                   “(A) INSTITUTIONAL INVESTMENT ENTI-  
23                   TY.—The term ‘Institutional investment entity’  
24                   means—

1 “(i) any issuer that is exempt from  
2 registration under section 3(c) of the In-  
3 vestment Company Act of 1940, or

4 “(ii) any other investment vehicle that  
5 pools funds exclusively from accredited in-  
6 vestors as defined in section 230.501 of  
7 title 17, Code of Federal Regulations (or  
8 any successor regulation).

9 “(B) LARGE OWNER.—

10 “(i) IN GENERAL.—For purposes of  
11 this subsection, the term ‘large owner’  
12 means any person who (directly or indi-  
13 rectly) holds a majority interest in single-  
14 family residential rental properties which  
15 in the aggregate contain 50 or more dwell-  
16 ing units.

17 “(ii) AGGREGATION RULES.—For pur-  
18 poses of this subparagraph, all persons  
19 treated as a single employer under sub-  
20 section (a) or (b) of section 52, or sub-  
21 section (m) or (o) of section 414, shall be  
22 treated as one taxpayer for purposes of  
23 this section.

24 “(iii) MODIFICATIONS.—

1                   “(I) IN GENERAL.—For purposes  
2 of applying clause (ii)—

3                   “(aa) section 52(a) shall be  
4 applied by substituting ‘compo-  
5 nent members’ for ‘members’,  
6 and

7                   “(bb) for purposes of apply-  
8 ing section 52(b), the term ‘trade  
9 or business’ shall include any ac-  
10 tivity treated as a trade or busi-  
11 ness under paragraph (5) or (6)  
12 of section 469(c) (determined  
13 without regard to the phrase ‘To  
14 the extent provided in regula-  
15 tions’ in such paragraph (6)).

16                   “(II) COMPONENT MEMBER.—  
17 For purposes of this subparagraph,  
18 the term ‘component member’ has the  
19 meaning given such term by section  
20 1563(b), except that the determina-  
21 tion shall be made without regard to  
22 subparagraphs (B), (C), (D) or (E) of  
23 paragraph (2) thereof.

24                   “(III) NO INFERENCE.—The  
25 modifications made by subclause (I)

1 shall not be construed to create any  
2 inference with respect to the proper  
3 application of section 52 with respect  
4 to any other provision of this title.

5 “(C) APPLICABLE RESIDENTIAL PROP-  
6 ERTY.—

7 “(i) IN GENERAL.—The term ‘applica-  
8 ble residential property’ means any prop-  
9 erty which is—

10 “(I) residential rental property  
11 (as defined in section  
12 168(e)(2)(A)(i)),

13 “(II) a manufactured housing  
14 community, or

15 “(III) a manufactured home (as  
16 defined in section 603 of the National  
17 Manufactured Housing Construction  
18 and Safety Standards Act of 1974 (42  
19 U.S.C. 5402)) which is not residential  
20 rental property (as so defined).

21 “(ii) MANUFACTURED HOUSING COM-  
22 MUNITY.—The term ‘manufactured hous-  
23 ing community’ means a residential real  
24 estate development with lots on which fac-  
25 tory-built homes, including manufactured

1           homes, are located, together with sup-  
2           porting infrastructure.

3           “(D) SINGLE-FAMILY RESIDENTIAL PROP-  
4           PERTY.—The term ‘single-family residential  
5           property’ means any applicable residential prop-  
6           erty which contains 4 or fewer dwelling units  
7           (as defined in section 168(e)(2)(A)(ii)(I)).

8           “(8) REGULATIONS.—The Secretary shall pre-  
9           scribe such regulations as may be necessary or ap-  
10          propriate to carry out the purposes of this sub-  
11          section, including—

12           “(A) regulations for identifying the  
13           amount of interest paid or accrued in connec-  
14           tion with applicable residential property and  
15           single-family residential property, including any  
16           interest paid or accrued through indirect fi-  
17           nancing arrangements,

18           “(B) regulations, in consultation with the  
19           Secretary of Housing and Urban Development,  
20           for identifying and, to the extent provided by  
21           the Secretary, substantiating the amount of in-  
22           terest paid or accrued with respect to debt  
23           which is incurred for the primary purpose of  
24           substantially rehabilitating previously uninhab-

1           itable applicable residential property under  
2           paragraph (5), and

3                   “(C) regulations to prevent the avoidance  
4                   of the purposes of this subsection.”.

5           (b) APPLICATION TO CAPITALIZED AMOUNTS.—

6                   (1) IN GENERAL.—Section 263A(f)(2) of the  
7           Internal Revenue Code of 1986 is amended by add-  
8           ing at the end the following new subparagraph:

9                           “(D) EXCEPTION FOR CERTAIN INTEREST  
10                           OF CERTAIN REAL PROPERTY OWNERS.—Sub-  
11                           paragraph (A) shall not apply to any interest  
12                           for which a deduction would be disallowed  
13                           under section 163(n).”.

14                   (2) CARRYING CHARGES.—Section 266 of such  
15           Code is amended—

16                           (A) by striking “No deduction” and insert-  
17                           ing the following:

18                           “(a) IN GENERAL.—No deduction”, and

19                           (B) by adding at the end the following new  
20                           subsection:

21                           “(b) SPECIAL RULE FOR CERTAIN INTEREST OF  
22           CERTAIN REAL PROPERTY OWNERS.—No election may be  
23           made under this section to treat as chargeable to capital  
24           account any interest for which a deduction would be dis-  
25           allowed under section 163(n).”.

1 (c) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to taxable years beginning after  
 3 the date of the enactment of this Act.

4 **SEC. 3. DISALLOWANCE OF DEPRECIATION IN CONNEC-**  
 5 **TION WITH PROPERTY OF CERTAIN REAL**  
 6 **PROPERTY OWNERS.**

7 (a) IN GENERAL.—Section 167 of the Internal Rev-  
 8 enue Code of 1986 is amended by redesignating subsection  
 9 (i) as subsection (j) and by inserting after subsection (h)  
 10 the following new subsection:

11 “(i) DEDUCTION DISALLOWED FOR CERTAIN REAL  
 12 PROPERTY OWNERS.—

13 “(1) IN GENERAL.—No deduction shall be al-  
 14 lowed under this section for—

15 “(A) any applicable residential property in  
 16 which an institutional investment entity (di-  
 17 rectly or indirectly) holds a majority interest, or

18 “(B) single-family residential property in  
 19 which a large owner (directly or indirectly)  
 20 holds a majority interest.

21 “(2) EXCEPTIONS.—Rules similar to the rules  
 22 of paragraphs (2), (3), (4), (5), and (6) of section  
 23 163(n) shall apply for purposes of this subsection.

24 “(3) DEFINITIONS.—For purposes of this sub-  
 25 section—

1           “(A) APPLICABLE RESIDENTIAL PROP-  
2           PERTY.—The term ‘applicable residential prop-  
3           erty’ means—

4                   “(i) any property described in section  
5                   163(n)(7)(C), and

6                   “(ii) any improvements to real prop-  
7                   erty which—

8                           “(I) are directly related to dwell-  
9                           ing units contained on property de-  
10                          scribed in clause (i), and

11                           “(II) are located on the site of  
12                          such dwelling units.

13           “(B) SINGLE-FAMILY RESIDENTIAL PROP-  
14           PERTY.—The term ‘single-family residential  
15           property’ means—

16                   “(i) any property described in section  
17                   163(n)(7)(D), and

18                   “(ii) any improvements to real prop-  
19                   erty which—

20                           “(I) are directly related to dwell-  
21                           ing units contained on property de-  
22                          scribed in clause (i), and

23                           “(II) are located on the site of  
24                          such dwelling units.



1 (D) the Federal National Mortgage Asso-  
2 ciation;

3 (E) the Federal National Mortgage Cor-  
4 poration; and

5 (F) any other Federal agency that is sell-  
6 ing or otherwise disposing of covered residential  
7 property.

8 (2) COVERED RESIDENTIAL PROPERTY.—The  
9 term “covered residential property”—

10 (A) means residential real property or a  
11 manufactured housing community; and

12 (B) does not include—

13 (i) Federally assisted housing, as de-  
14 fined in section 579 of the Quality Hous-  
15 ing and Work Responsibility Act of 1998  
16 (42 U.S.C. 13664); or

17 (ii) any residential property that uses  
18 tax credits under section 42 of the Internal  
19 Revenue Code of 1986.

20 (3) FEDERALLY BACKED MORTGAGE LOAN.—  
21 The term “Federally backed mortgage loan” has the  
22 meaning given the term in section 4022(a) of the  
23 CARES Act (15 U.S.C. 9056(a)).

24 (4) INSTITUTIONAL INVESTMENT ENTITY;  
25 LARGE OWNER.—The terms “institutional invest-

1       ment entity” and “large owner” have the meanings  
2       given those terms in subparagraphs (A) and (B)(i)  
3       of section 163(n)(7) of the Internal Revenue Code of  
4       1986, as added by this Act.

5           (5) MANUFACTURED HOUSING COMMUNITY.—  
6       The term “manufactured housing community”  
7       means a residential real estate development with lots  
8       on which factory-built homes, including manufac-  
9       tured homes (as defined in section 603 of the Na-  
10      tional Manufactured Housing Construction and  
11      Safety Standards Act of 1974 (42 U.S.C. 5402)),  
12      are located, together with supporting infrastructure.

13          (6) RESIDENTIAL REAL PROPERTY.—The term  
14      “residential real property” has the meaning given  
15      the term in section 1004 of the Residential Lead-  
16      Based Paint Hazard Reduction Act of 1992 (42  
17      U.S.C. 4851b).

18      (b) PROHIBITION ON SALE.—A covered entity may  
19      not sell or otherwise dispose of Federally backed mortgage  
20      loans or covered residential properties to a large owner  
21      or an institutional investment entity, including a loan or  
22      property that is—

- 23           (1) a nonperforming or re-performing loan;
- 24           (2) a foreclosed home;
- 25           (3) a real estate-owned property; or

1           (4) any other real estate-related asset held by  
2 the covered entity.

3           (c) PROHIBITION ON FINANCING.—

4           (1) IN GENERAL.—A covered entity may not  
5 issue, insure, guarantee, or securitize any mortgage  
6 loan where the borrower is a large owner or an insti-  
7 tutional investment entity, unless the mortgage loan  
8 is related to—

9                   (A) the construction or rehabilitation of  
10 housing with affordability use restrictions; or

11                   (B) the refinance of existing loans related  
12 to such housing, and such refinance will not re-  
13 sult in the elimination of affordability use re-  
14 strictions.

15           (2) APPLICATION.—The prohibition under para-  
16 graph (1) shall not apply with respect to a mortgage  
17 loan that is issued, insured, guaranteed, or  
18 securitized before the date of enactment of this Act.

19 **SEC. 5. INVESTMENTS IN HOUSING SUPPLY AND HOME-**  
20 **OWNERSHIP.**

21           (a) DEFINITIONS.—In this section:

22           (1) HEIR PROPERTY.—The term “heir prop-  
23 erty” means residential property for which title  
24 passed by operation of law through intestacy and is  
25 held by 2 or more heirs as tenants in common.

1           (2) QUALIFIED HOMEBUYER.—The term  
2 “qualified homebuyer” means a homebuyer that  
3 meets all of the following requirements:

4           (A) INCOME.—The household of the home-  
5 buyer has an income that does not exceed—

6           (i) 120 percent of median income for  
7 the area (as determined by the Secretary  
8 of Housing and Urban Development) with-  
9 in which—

10           (I) the home to be acquired using  
11 assistance under this section is lo-  
12 cated; or

13           (II) the place of residence of the  
14 homebuyer is located; or

15           (ii) in the case of a homebuyer acquir-  
16 ing a home that is located in a high-cost  
17 area, as determined by the Secretary of  
18 Housing and Urban Development, 140 per-  
19 cent of the median income for the area  
20 within which the home to be acquired  
21 using assistance under this section is lo-  
22 cated.

23           (B) FIRST-TIME HOMEBUYER.—The home-  
24 buyer, as self-attested by the homebuyer, is a  
25 first-time homebuyer, as defined in section 104

1 of the Cranston Gonzalez National Affordable  
2 Housing Act (42 U.S.C. 12704), except that—

3 (i) for the purposes of this section, the  
4 reference in such section 104 to title II  
5 shall be considered to refer to this section;  
6 and

7 (ii) ownership of heir property shall  
8 not be treated as owning a home for pur-  
9 poses of determining whether a borrower  
10 qualifies as a first-time homebuyer.

11 (C) FIRST-GENERATION HOMEBUYER.—

12 The homebuyer, as self-attested by the home-  
13 buyer, is—

14 (i) an individual—

15 (I) whose parents or legal guard-  
16 ians do not, or did not at the time of  
17 their death, to the best of the individ-  
18 ual's knowledge, have any present  
19 ownership interest in a residence in  
20 any State, excluding ownership of heir  
21 property or ownership of chattel; and

22 (II) whose spouse or domestic  
23 partner has not, during the 3-year pe-  
24 riod ending upon acquisition of the el-  
25 igible home to be acquired using such

1 assistance, had any present ownership  
2 interest in a residence in any State,  
3 excluding ownership of heir property  
4 or ownership of chattel, whether the  
5 individual is a co-borrower on the loan  
6 or not; or

7 (ii) an individual who has at any time  
8 been placed in foster care or institutional  
9 care whose spouse or domestic partner has  
10 not, during the 3-year period ending upon  
11 acquisition of the home to be acquired  
12 using assistance under this section, had  
13 any ownership interest in a residence in  
14 any State, excluding ownership of heir  
15 property or ownership of chattel, whether  
16 such individuals are co-borrowers on the  
17 loan or not.

18 (b) TRANSFERS.—For fiscal year 2026 and each fis-  
19 cal year thereafter, there are hereby appropriated amounts  
20 equal to the following percentages of savings (as estimated  
21 by the Secretary of the Treasury) resulting from the limits  
22 on deductions established under sections 163(n) and  
23 167(i) of the Internal Revenue Code of 1986, as added  
24 by this Act:

1           (1) 80 percent of such amounts to the Sec-  
2           retary of Housing and Urban Development to pro-  
3           vide additional funding for the HOME Investment  
4           Partnerships program under subtitle A of title II of  
5           the Cranston-Gonzalez National Affordable Housing  
6           Act (42 U.S.C. 12741 et seq.), to be allocated in ac-  
7           cordance with the formula under that program, ex-  
8           cept that such amounts shall not be subject to the  
9           requirements under section 231 of such Act (42  
10          U.S.C. 12771), for the following purposes:

11                   (A) Acquisition of affordable housing, and  
12                   associated rehabilitation or preservation of such  
13                   acquired housing.

14                   (B) 60 percent of the 80 percent under  
15                   this paragraph to be used for new construction  
16                   of affordable housing, with at least half of such  
17                   funds to be used for new construction of afford-  
18                   able housing for the benefit of extremely low-in-  
19                   come households.

20          (2) 20 percent of such amounts to the Sec-  
21          retary of Housing and Urban Development to estab-  
22          lish a fund to provide grants of assistance on behalf  
23          of qualified homebuyers, the amount of which shall  
24          not exceed the greater of \$20,000 or 10 percent of  
25          the purchase price for each qualified homebuyer, for

1 down payments, closing costs, and interest rate  
 2 buydowns associated with acquiring owner-occupied  
 3 primary residences.

4 **SEC. 6. INCREASE ANTITRUST MONITORING FOR REAL**  
 5 **PROPERTY OWNERS.**

6 (a) HOUSING ACQUISITIONS REVIEW AND TRANS-  
 7 PARENCY.—

8 (1) DEFINITIONS.—In this section:

9 (A) RESIDENTIAL PROPERTY.—The term  
 10 “residential property”—

11 (i) means property that is zoned or in-  
 12 tended to be used as a dwelling for individ-  
 13 uals or households, including multifamily  
 14 housing, condominiums, manufactured  
 15 homes, or single-family homes; and

16 (ii) does not include any place of  
 17 short-term lodging.

18 (B) INVESTMENT RENTAL PROPERTY.—  
 19 The term “investment rental property” means  
 20 real property that—

21 (i) will not be rented to an entity, in-  
 22 cluding any entity of the acquiring person,  
 23 except for the sole purpose of maintaining,  
 24 managing, or supervising the operation of  
 25 the real property; and

1 (ii) will be held solely for rental or in-  
2 vestment purposes.

3 (C) PLACE OF SHORT-TERM LODGING.—

4 The term “place of short-term lodging” means  
5 a hotel, motel, inn, short-term rental, or other  
6 place of lodging that advertises at a price that  
7 is a nightly, hourly, or weekly rate.

8 (2) AMENDMENTS MAKING HOUSING TRANS-  
9 ACTIONS REPORTABLE.—

10 (A) SINGLE ACQUISITION.—Section 7A(a)  
11 of the Clayton Act (15 U.S.C. 18a(a)) is  
12 amended by adding at the end the following:  
13 “For purposes of this subsection, all acquisi-  
14 tions of residential property (as defined in sec-  
15 tion 6(a) of the American Homeownership Act  
16 by any person within a single calendar year  
17 shall be deemed to be a single acquisition and  
18 notification pursuant to this subsection shall be  
19 filed by the acquiring person upon acquiring the  
20 property that brings such single acquisition  
21 within any requirement described in paragraph  
22 (2) when aggregated with all other prior acqui-  
23 sitions of residential property by the person in  
24 that calendar year.”.

1 (B) EXEMPTION.—Section 7A(c)(1) of the  
2 Clayton Act (15 U.S.C. 18a(c)(1)) is amended  
3 by inserting “, unless the transaction includes  
4 residential property or investment rental prop-  
5 erty (as defined in section 6(a) of the American  
6 Homeownership Act), including in the form of  
7 a real estate investment trust, that is not solely  
8 intended for the personal use of an individual.”.

9 (C) CODE OF FEDERAL REGULATIONS.—  
10 The Federal Trade Commission, with the con-  
11 currence of the Assistant Attorney General in  
12 charge of the Antitrust Division of the Depart-  
13 ment of Justice, shall, by rule, in accordance  
14 with section 553 of title 5, United States  
15 Code—

16 (i) amend part 802 of title 16, Code  
17 of Federal Regulations to conform with the  
18 amendments to section 7A(a) of the Clay-  
19 ton Act (15 U.S.C. 18(a)) made by this  
20 paragraph; and

21 (ii) rescind any rules exempting resi-  
22 dential property or investment rental prop-  
23 erty pursuant to section 7A(d)(2)(B) of  
24 that Act.

1           (3) RULEMAKING.—The Federal Trade Com-  
2 mission, with the concurrence of the Assistant Attor-  
3 ney General in charge of the Antitrust Division of  
4 the Department of Justice and by rule, in accord-  
5 ance with section 553 of title 5, United States Code,  
6 shall issue rules relating to the form and documen-  
7 tary material and information relevant to any acqui-  
8 sition or aggregated acquisitions of residential prop-  
9 erty is necessary and appropriate under section  
10 7A(a) of the Clayton Act (15 U.S.C. 18a(a)), as  
11 amended by paragraph (2), to enable the Federal  
12 Trade Commission and the Assistant Attorney Gen-  
13 eral to determine whether such acquisition or aggre-  
14 gated acquisitions may violate the antitrust laws, as  
15 defined in subsection (a) of the first section of the  
16 Clayton Act (15 U.S.C. 12).

17           (b) PRESUMPTION OF UNLAWFUL MERGER OR AC-  
18 QUISTION.—

19           (1) SENSE OF CONGRESS.—It is the sense of  
20 Congress that—

21           (A) market concentration and the change  
22 in market concentration due to a merger or ac-  
23 quisition can be an important indicator of the  
24 merger or acquisition’s risk of substantially  
25 lessening competition; and

1 (B) in a landmark case, the Supreme  
2 Court correctly explained that the “intense con-  
3 gressional concern with the trend toward con-  
4 centration warrants dispensing, in certain cases,  
5 with elaborate proof of market structure, mar-  
6 ket behavior, or probable anticompetitive ef-  
7 fects.” *United States v. Philadelphia National*  
8 *Bank*, 374 U.S. 321 (1963).

9 (2) PRESUMPTION.—

10 (A) IN GENERAL.—For the avoidance of  
11 doubt, the Department of Justice and the Fed-  
12 eral Trade Commission shall apply the pre-  
13 sumption that an acquisition involving residen-  
14 tial property increasing the relevant market  
15 share of the acquiring person to more than 30  
16 percent violates the antitrust laws, as defined in  
17 subsection (a) of the first section of the Clayton  
18 Act (15 U.S.C. 12), and that such acquisition  
19 constitutes an unfair method of competition  
20 under section 5 of the Federal Trade Commis-  
21 sion Act (15 U.S.C. 45).

22 (B) RULE OF CONSTRUCTION.—The clari-  
23 fication described in subparagraph (A) shall not  
24 be read to limit the use of the presumption  
25 under that subparagraph in other markets, cast

1           doubt on other presumptions in antitrust en-  
2           forcement, or suggest that a market share that  
3           is less than 30 percent is presumptively lawful.

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