

119TH CONGRESS
2D SESSION

S. 4262

To promote shared equity models of homeownership, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 26, 2026

Ms. BLUNT ROCHESTER introduced the following bill; which was read twice
and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To promote shared equity models of homeownership, 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 “Permanent Housing
5 Affordability Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) COMMUNITY DEVELOPMENT FINANCIAL IN-
9 STITUTION.—The term “community development fi-
10 nancial institution” has the meaning given the term
11 in section 103 of the Community Development

1 Banking and Financial Institutions Act of 1994 (12
2 U.S.C. 4702).

3 (2) COMMUNITY LAND TRUST.—The term
4 “community land trust” means a nonprofit entity, a
5 State, a unit of local government, or an instrumen-
6 tality of a State or unit of local government—

7 (A) that is not managed by, or an affiliate
8 of, a for-profit organization;

9 (B) the primary purpose of which is ac-
10 quiring, developing, or holding land to provide
11 housing that is permanently affordable to low-
12 and moderate-income persons;

13 (C) that monitors properties to ensure af-
14 fordability is preserved;

15 (D) that provides housing that is perma-
16 nently affordable to low- and moderate-income
17 persons using a ground lease, deed covenant, or
18 other similar legally enforceable measure, deter-
19 mined acceptable by the Secretary, that—

20 (i) keeps the housing affordable to
21 low- and moderate-income persons for not
22 less than—

23 (I) 99 years; or

24 (II) the greatest minimum af-
25 fordability period permitted by appli-

1 cable State law, if that law restricts
 2 minimum affordability periods to a
 3 number of years that is less than 99;
 4 and

5 (ii) enables low- and moderate-income
 6 persons to rent or purchase the housing for
 7 homeownership; and

8 (E) that maintains preemptive purchase
 9 options to purchase the property, if such pur-
 10 chase would allow the housing to remain afford-
 11 able to low- and moderate-income persons.

12 (3) ELIGIBLE ENTITY.—The term “eligible enti-
 13 ty” means a unit of local government, an instrumen-
 14 tality of a State or unit of local government, or a
 15 nonprofit organization, including a community land
 16 trust, that manages a shared equity homeownership
 17 model program.

18 (4) ELIGIBLE GRANTEE.—The term “eligible
 19 grantee” means—

20 (A) any agency of a State;

21 (B) any authority chartered by a State to
 22 help meet affordable housing needs of the resi-
 23 dents of the State; and

1 (C) a community development financial in-
 2 stitution that is certified by the Secretary of the
 3 Treasury.

4 (5) QUALIFIED HOMEBUYER.—The term
 5 “qualified homebuyer” means a homebuyer with a
 6 household income that is not more than 120 percent
 7 of the area median income.

8 (6) RESALE FORMULA.—The term “resale for-
 9 mula” means a permissible method of determining
 10 fair return and resale price under section
 11 92.254(a)(5)(i)(A) of title 24, Code of Federal Reg-
 12 ulations, as in effect on March 28, 2025.

13 (7) SHARED EQUITY HOMEOWNERSHIP
 14 MODEL.—The term “shared equity homeownership
 15 model” means a model of resale-restricted, owner-oc-
 16 cupied housing the primary purpose of which is to
 17 create and preserve a supply of owner-occupied units
 18 affordable to low and moderate income households
 19 that—

20 (A) carry terms of affordability that are
 21 not less than—

22 (i) 99 years; or

23 (ii) the greatest minimum afford-
 24 ability period permitted by applicable State
 25 law, if that law restricts minimum afford-

1 ability periods to a number of years that is
2 less than 99; and

3 (B) restrict the resale value of properties
4 in the program according to a resale formula
5 described in a ground lease, deed restriction, or
6 similar legal mechanism.

7 **SEC. 3. LASTING HOME AFFORDABILITY FUND.**

8 (a) IN GENERAL.—Not later than 90 days after the
9 date of enactment of this Act, the Secretary of the Treas-
10 ury (in this section referred to as the “Secretary”) shall
11 establish a program to provide grants to eligible grantees
12 to use for the purpose of providing low-interest construc-
13 tion loans to eligible entities.

14 (b) APPLICATION BY ELIGIBLE GRANTEES.—To be
15 eligible to receive amounts under this section, an eligible
16 grantee shall submit an application at such time and in
17 such manner as the Secretary may reasonably require, in-
18 cluding a detailed description of—

19 (1) how the eligible grantee intends to use any
20 amounts provided under this section; and

21 (2) the qualifications such eligible grantee has
22 that will allow such eligible grantee to successfully
23 administer a grant under this section.

24 (c) USE OF AMOUNTS BY ELIGIBLE GRANTEES.—

1 (1) IN GENERAL.—Any eligible grantee that re-
2 ceives amounts under this section shall use such
3 amounts and related proceeds to establish a revolv-
4 ing fund and provide low-interest construction loans
5 to 1 or more eligible entities, which amounts may be
6 awarded to eligible entities on a rolling basis.

7 (2) LOAN REQUIREMENTS.—

8 (A) IN GENERAL.—Loans provided by an
9 eligible grantee to an eligible entity using
10 amounts provided under this section shall—

11 (i) have an interest rate of not more
12 than 3 percent; and

13 (ii) have an origination fee of not
14 more than 1 percent of the amount of the
15 loan.

16 (B) LIQUIDITY REQUIREMENTS.—An eligi-
17 ble grantee may not require, as a condition of
18 receiving a loan under this section, that an eli-
19 gible entity has more than 10 percent of the
20 amount to be loaned in liquid assets at the time
21 of the loan.

22 (3) LIMITATION.—An eligible entity that re-
23 ceives amounts under this section may not be the
24 same entity as the eligible grantee that provides
25 those amounts.

1 (4) PRIORITY.—An eligible grantee shall
2 prioritize loans to eligible entities that plan to use
3 amounts loaned under this section to construct or
4 rehabilitate properties—

5 (A) located in areas with high cost burden,
6 as determined by the Secretary, individuals at
7 risk of displacement due to rising housing costs,
8 or redlining; or

9 (B) that are required to be affordable as
10 described in subsection (e) for terms that are
11 more than 99 years.

12 (d) USE OF AMOUNTS BY ELIGIBLE ENTITIES.—An
13 eligible entity may use amounts loaned by an eligible
14 grantee for costs associated with the construction or reha-
15 bilitation of housing intended to be sold to a homebuyer,
16 a member of a limited equity cooperative, or a community
17 land trust and used as a primary residence, including ma-
18 terials, labor (including contractor fees), land development
19 (including demolition and grading), permit and developer
20 fees, insurance costs, on-site infrastructure costs (includ-
21 ing the installation of roads, water, electrical, sewer, storm
22 drainage, and sidewalks), and predevelopment (including
23 architectural costs and engineering costs).

1 (e) AFFORDABILITY REQUIREMENT.—An eligible en-
 2 tity that uses amounts loaned under this section to con-
 3 struct or rehabilitate a property—

4 (1) may only sell or facilitate the sale of such
 5 property to qualified homebuyers; and

6 (2) shall ensure any subsequent sales are to
 7 qualified homebuyers at a below-market value that is
 8 determined by a resale formula described in a
 9 ground lease, deed restriction, or other similar mech-
 10 anism.

11 (f) AREAS OF SERVICE.—The Secretary shall seek to
 12 provide grants to eligible grantees that will fund activities
 13 in geographically diverse areas, including areas of per-
 14 sistent poverty, underserved areas, and rural areas.

15 (g) RULEMAKING.—The Secretary may issue rules to
 16 carry out this section.

17 (h) REPORTING.—

18 (1) GRANTEE REPORTS.—The Secretary shall
 19 require each grantee receiving grant amounts in any
 20 given year under this section to submit a report, for
 21 such year and each year that loans are made using
 22 grant funds, to the Secretary that includes—

23 (A) the number of qualifying loans made;

24 (B) the organizations receiving loans;

1 (C) the number of outstanding loans on
2 September 30th of the report year;

3 (D) the percentage of organizations be-
4 longing to each type of eligible grantee as de-
5 scribed in subparagraphs (A) through (C) of
6 section 2(4);

7 (E) the projected number of units con-
8 structed or rehabilitated by each loan;

9 (F) the average interest rate on qualifying
10 loans;

11 (G) the average origination fee on quali-
12 fying loans;

13 (H) the median purchase price of the
14 homes constructed or rehabilitated by each loan
15 compared to the median market rate price in
16 the area;

17 (I) the zip codes where the homes con-
18 structed or rehabilitated by each loan are lo-
19 cated;

20 (J) the area median income level of house-
21 holds assisted;

22 (K) the percentage and number of loans
23 made for the purpose of construction;

24 (L) the percentage and number of loans
25 make for the purpose of rehabilitation;

1 (M) a description of any mechanism used
2 to ensure permanent affordability by each
3 grantee, such as ground leases, deed restric-
4 tions, covenants, or other mechanisms;

5 (N) the resale formula used by each eligi-
6 ble entity that receives a loan from the grantee;
7 and

8 (O) where applicable, for each loan made,
9 the percentage of total project cost expected to
10 be covered by the loan.

11 (2) REPORT TO CONGRESS.—Not later than 90
12 days after the conclusion of each fiscal year in which
13 assistance under this section is made available, the
14 Secretary shall submit to the Committee on Bank-
15 ing, Housing, and Urban Affairs of the Senate and
16 the Committee on Financial Services of the House of
17 Representatives a report on amounts provided under
18 this section that contains, with aggregates, averages,
19 and summaries, as appropriate, information provided
20 by grantees under paragraph (1).

21 (i) AUTHORIZATION OF APPROPRIATIONS.—There is
22 authorized to be appropriated to the Secretary
23 \$100,000,000 for fiscal year 2027 to carry out this sec-
24 tion, to remain available until expended.

1 **SEC. 4. LASTING AFFORDABILITY HOMEOWNERSHIP**
2 **GRANT PILOT PROGRAM.**

3 (a) IN GENERAL.—The Secretary of Housing and
4 Urban Development (in this section referred to as the
5 “Secretary”) shall establish a pilot program to provide
6 grants to eligible entities.

7 (b) USE OF AMOUNTS.—Each eligible entity that re-
8 ceives amounts under this section shall use such amounts
9 to—

10 (1) purchase vacant land to develop housing
11 and sell that housing to homebuyers or members of
12 a limited equity cooperative; and

13 (2) purchase existing properties or predeveloped
14 land on which properties will be developed that will
15 be sold to homebuyers or members of a limited eq-
16 uity cooperative.

17 (c) PRIORITY.—The Secretary shall prioritize the
18 award of grants to eligible entities that will maintain af-
19 fordability for the homes sold by the eligible entity for the
20 longest term.

21 (d) REQUIREMENTS.—

22 (1) VACANT LAND.—In the case of vacant land
23 purchased by an eligible entity under this section,
24 the housing shall be built and marketed for sale not
25 later than 3 years after the date of the purchase,
26 which period may be extended at the discretion of

1 the Secretary for extenuating circumstances, such as
 2 delays in the development process, provided that the
 3 Secretary makes public a list of localities where such
 4 extenuating circumstances are occurring.

5 (2) EXISTING LAND OR PROPERTIES.—In the
 6 case of existing properties or predeveloped land pur-
 7 chased by an eligible entity under this section, the
 8 homes shall be ready for sale to homebuyers not
 9 later than 3 years after the date of the purchase,
 10 which period may be extended at the discretion of
 11 the Secretary for extenuating circumstances.

12 (3) ALL PROPERTIES.—Each home developed
 13 with amounts provided under this section shall be
 14 sold to households—

15 (A) with an income that is less than or
 16 equal to—

17 (i) 80 percent of the area median in-
 18 come; or

19 (ii) 120 percent of the area median
 20 income, if the home is located in a rural
 21 area;

22 (B) with ground leases, deed restrictions,
 23 covenants, or other mechanisms to ensure per-
 24 manent affordability; and

1 (C) according to a resale formula deter-
 2 mined by the eligible entity.

3 (e) REPORTING.—

4 (1) ELIGIBLE ENTITY REPORTS.—Not later
 5 than 2 years after receiving a grant under this sec-
 6 tion, and biennially for 6 years thereafter, an eligible
 7 entity shall submit to the Secretary a streamlined
 8 report that includes—

9 (A) as applicable, the number of acres pur-
 10 chased;

11 (B) as applicable, the number of units pur-
 12 chased;

13 (C) as applicable, the number of buildings
 14 and units developed;

15 (D) as applicable, the number of buildings
 16 and units renovated;

17 (E) a description of the ground leases,
 18 deed restrictions, covenants, or other mecha-
 19 nisms used to ensure permanent affordability;

20 (F) a description of the resale formula
 21 used;

22 (G) the number of households served;

23 (H) the average size of units;

24 (I) the median purchase price;

1 (J) to the extent possible, the average
2 amount of the down payment paid by house-
3 holds;

4 (K) the average tenure of residents;

5 (L) to the extent possible, the average
6 credit score of purchasers;

7 (M) the average delinquency and fore-
8 closure rate; and

9 (N) the average annual resident fees.

10 (2) REPORT TO CONGRESS.—Not later than 90
11 days after the conclusion of each fiscal year in which
12 assistance under this section is made available, the
13 Secretary shall submit to the Committee on Bank-
14 ing, Housing, and Urban Affairs of the Senate and
15 the Committee on Financial Services of the House of
16 Representatives a report on this section that con-
17 tains, with aggregates, averages, and summaries, as
18 appropriate, information provided by eligible entities
19 under paragraph (1).

20 (f) AUTHORIZATION OF APPROPRIATIONS.—

21 (1) IN GENERAL.—There is authorized to be
22 appropriated to the Secretary \$100,000,000 for each
23 of fiscal years 2027 through 2031 to carry out this
24 section.

1 (2) TECHNICAL ASSISTANCE.—Not more than
 2 10 percent of amounts appropriated under para-
 3 graph (1) may be used to provide technical assist-
 4 ance to eligible entities that receive a grant under
 5 this section.

6 **SEC. 5. SHARED EQUITY HOUSING RESEARCH AND AWARE-**
 7 **NESS PROGRAMS.**

8 (a) HOUSING RESEARCH.—

9 (1) IN GENERAL.—The Secretary of Housing
 10 and Urban Development (in this section referred to
 11 as the “Secretary”), acting through the Office of
 12 Policy Development and Research, shall establish a
 13 program that conducts, supports, and disseminates
 14 research about best practices for community land
 15 trusts and other shared equity homeownership mod-
 16 els, including best practices regarding ground leases,
 17 deed restrictions, or other legal mechanisms for pre-
 18 serving long-term affordability.

19 (2) AWARDS.—For States, local governments,
 20 Tribal governments, and entities managing shared
 21 equity homeownership models, including nonprofit
 22 organizations, the Secretary shall provide funding to
 23 organizations representing nonprofit shared equity
 24 model interests to create or sustain shared equity

1 homeownership models through technical assistance
2 and capacity building.

3 (3) AUTHORIZATION OF APPROPRIATIONS.—

4 There is authorized to be appropriated to the Sec-
5 retary such sums as may be necessary to carry out
6 this subsection.

7 (b) PUBLIC AWARENESS.—

8 (1) IN GENERAL.—Not later than 1 year after
9 the date of enactment of this Act, the Secretary
10 shall conduct a public awareness campaign to edu-
11 cate the public and the financial sector about the
12 benefits and responsibilities of shared equity home-
13 ownership models, including community land trusts,
14 which may include—

15 (A) creating a web page to publicize shared
16 equity homeownership models;

17 (B) disseminating information to housing
18 counseling agencies or other entities to provide
19 information to potential homebuyers;

20 (C) providing information to lenders about
21 the shared equity homeownership model, includ-
22 ing standard ground leases and appraisal guid-
23 ance developed by the Federal National Mort-
24 gage Association and the Federal Home Loan
25 Mortgage Corporation; and

1 (D) to the extent possible, work with
 2 States, local governments, Tribal governments,
 3 and entities managing shared equity homeown-
 4 ership models, including nonprofit organiza-
 5 tions, to advance public awareness.

6 (2) AUTHORIZATION OF APPROPRIATIONS.—
 7 There is authorized to be appropriated to the Sec-
 8 retary \$3,000,000 for each of fiscal years 2027
 9 through 2029 to carry out this subsection.

10 (c) OUTREACH.—

11 (1) IN GENERAL.—The Secretary, in consulta-
 12 tion and coordination with other appropriate enti-
 13 ties, including the Federal Housing Finance Agency,
 14 shall carry out an education and outreach campaign
 15 to inform and educate consumers, home builders,
 16 residential lenders, and other real estate profes-
 17 sionals on the availability, benefits, and advantages
 18 of community land trusts and other shared equity
 19 homeownership models.

20 (2) AUTHORIZATION OF APPROPRIATIONS.—
 21 There is authorized to be appropriated to the Sec-
 22 retary such sums as may be necessary to carry out
 23 this subsection.

24 (d) REPORT.—Not later than 90 days after the con-
 25 clusion of each fiscal year in which assistance under this

1 section is made available, the Secretary shall submit to
 2 the Committee on Banking, Housing, and Urban Affairs
 3 of the Senate and the Committee on Financial Services
 4 of the House of Representatives a report on the shared
 5 equity housing research and awareness programs de-
 6 scribed in this section that includes, for the period covered
 7 by the report—

8 (1) a description of public awareness and public
 9 outreach campaigns conducted by the Secretary;

10 (2) a description of consultation and coordina-
 11 tion efforts with the Federal Housing Finance Agen-
 12 cy, including a description of Federal Housing Fi-
 13 nance Agency activities to improve mortgage lender
 14 education and outreach that resulted from consulta-
 15 tion and coordination efforts;

16 (3) a description of the research conducted on
 17 best practices for community land trusts and other
 18 shared equity homeownership models; and

19 (4) the number and location of entities that re-
 20 ceived technical assistance and capacity building on
 21 community land trusts and other shared equity
 22 homeownership models.

23 **SEC. 6. SURPLUS LAND.**

24 (a) IN GENERAL.—Section 550 of title 40, United
 25 States Code, is amended—

1 (1) in subsection (a)—

2 (A) in the subsection heading, by striking
3 “DEFINITION” and inserting “DEFINITIONS”;
4 and

5 (B) by striking “section, the term” and in-
6 serting “section—

7 “(1) the term ‘shared equity homeownership
8 model’ has the meaning given the term in section 2
9 of the Permanent Housing Affordability Act; and”;

10 (2) in subsection (b)(2)(D), by inserting “and
11 for property transferred under subsection (i) to a
12 community land trust or other shared equity home-
13 ownership model” after “families”; and

14 (3) by adding at the end the following:

15 “(i) PROPERTY FOR COMMUNITY LAND TRUST OR
16 OTHER SHARED EQUITY HOMEOWNERSHIP MODEL.—

17 “(1) CONVEYANCE.—The Administrator may
18 convey to a community land trust or other shared
19 equity homeownership model the right, title, and in-
20 terest of the Government in and to any surplus real
21 property that the Secretary of Housing and Urban
22 Development determines is suitable for a community
23 land trust or other shared equity homeownership
24 model.

1 “(2) DEED OF CONVEYANCE.—The deed of con-
 2 veyance of any surplus real property disposed of
 3 under this subsection—

4 “(A) shall provide that all of the property
 5 be used and maintained for purposes of a com-
 6 munity land trust or other shared equity home-
 7 ownership model in perpetuity, and that if the
 8 property ceases to be used or maintained in a
 9 community land trust or other shared equity
 10 homeownership model, all or any portion of the
 11 property shall, in its then existing condition, at
 12 the option of the Government, revert to the
 13 Government; and

14 “(B) may contain additional terms, res-
 15 ervations, restrictions, and conditions the Ad-
 16 ministrator determines are necessary to safe-
 17 guard the interests of the Government.

18 “(3) FIXING VALUE.—

19 “(A) IN GENERAL.—In fixing the sale or
 20 lease value of property disposed of under para-
 21 graph (2), the Secretary of Housing and Urban
 22 Development shall take into consideration and
 23 discount the value for any benefit which has ac-
 24 crued or may accrue to the Government from
 25 the use of the property by the community land

1 trust or other shared equity homeownership
2 model.

3 “(B) AMOUNT OF DISCOUNT.—The
4 amount of the discount under subparagraph (A)
5 is 75 percent of the market value of the prop-
6 erty, except that the Secretary of Housing and
7 Urban Development may discount by a greater
8 percentage if the Secretary, in consultation with
9 the Administrator, determines that a higher
10 percentage is justified.”.

11 (b) REPORT.—Not later than 90 days after the con-
12 clusion of each fiscal year in which assistance under sec-
13 tion 550(i) of title 40, United States Code, as added by
14 subsection (a), is made available, the Secretary of Housing
15 and Urban Development shall submit to the Committee
16 on Banking, Housing, and Urban Affairs of the Senate
17 and the Committee on Financial Services of the House of
18 Representatives a report on surplus land that includes—

19 (1) the number of surplus real properties con-
20 veyed by the Federal Government for the purpose of
21 affordable housing, including such properties that
22 were conveyed to a community land trust or other
23 shared equity homeownership model; and

24 (2) the average discounted value of real prop-
25 erty conveyed by the Federal Government for the

- 1 purpose of affordable housing, including such real
- 2 property that was conveyed to a community land
- 3 trust or other shared equity homeownership model.

○