I

119TH CONGRESS
1ST SESSION

# H. R. 4266

To require that any amounts received by the Federal Government as a result of the release of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation be used for State housing revolving loan funds for middle-class housing supply, and for other purposes.

---

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 2025

Mr. SUOZZI (for himself and Ms. MALLIOTAKIS) introduced the following bill; which was referred to the Committee on Financial Services

---

# A BILL

To require that any amounts received by the Federal Government as a result of the release of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation be used for State housing revolving loan funds for middle-class housing supply, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Housing for US Act''.

**SEC. 2. AMOUNTS RECEIVED FROM RELEASE OF FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION.**

(a) IN GENERAL.—Notwithstanding any other provision of law, any amounts received by the Federal Government as a result of the release of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall be transferred to a trust fund to be used solely for the purpose described in section 3 for a period of 10 years after the date of such transfer.

(b) DEFICIT REDUCTION.—On the date that is 10 years after the transfer described in subsection (a), the capitalization loans described in section 3 shall be paid back by the States to the General Fund of the Treasury, dedicated for the sole purpose of deficit reduction.

**SEC. 3. REVOLVING LOAN FUND FOR MIDDLE-CLASS HOUSING SUPPLY.**

(a) DEFINITIONS.—In this section:

(1) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(2) STATE.—The term ''State'' means each of the several States, the District of Colombia, and the territories of the United States.

(3) ELIGIBLE ENTITY.—The term ''eligible entity'' means a local government or non-profit organization that receives a loan from a State loan fund.

(b) GENERAL AUTHORITY.—

(1) LOANS TO STATES TO ESTABLISH STATE LOAN FUNDS.—

(A) IN GENERAL.—The Secretary shall, to the extent that amounts are available under section 2 and the extent that States meet the requirements of this Act, enter into agreements with States to make capitalization loans, out of amounts received pursuant to section 2, to such States for the establishment of housing revolving loan funds for providing funding assistance to eligible entities to carry out eligible projects under this section to increase the supply of housing available for middle-class Americans, as determined by the Secretary.

(B) AGREEMENTS.—Any agreement entered into under this section shall require States to—

(i) comply with the requirements of this section; and

(ii) use accounting, audit, and fiscal procedures conforming to generally accepted accounting standards.

(C) ESTABLISHMENT OF FUND.—To be eligible to receive a capitalization loan under this section, a State shall establish a housing revolving loan fund (referred to in this section as a ''State loan fund'') and comply with the other requirements of this section. Each loan to a State under this section shall be deposited in the State loan fund established by the State, except as otherwise provided in this section.

(D) EXTENDED PERIOD.—The loan to a State shall be available to the State for obligation during the fiscal year for which the funds are authorized and during the following fiscal year.

(E) ALLOTMENT FORMULA.—Funds made available to carry out this section shall be allotted to States that have entered into an agreement pursuant to this section based on, as determined by the Secretary—

(i) the share of total need for an increased supply of affordable housing for families of different sizes between 80 and 165 percent of the area median income;

(ii) inadequate housing supply and substandard housing in the State;

(iii) costs of producing housing in the State, including increased funds in States with a high cost of producing housing; and

(iv) any other factors as determined by the Secretary.

(2) USE OF FUNDS.—

(A) IN GENERAL.—Except as otherwise authorized by this section, amounts deposited in a State loan fund, including loan repayments and interest earned on such amounts, shall be used only for providing loans or loan guarantees to eligible entities, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in a State loan fund established under paragraph (1).

(B) ELIGIBLE USES.—Financial assistance provided to an eligible entity under this section may be used by such entity to—

(i) support homeownership and rental housing affordability, as described in subsection (g), for middle-income persons and families through the new construction or rehabilitation of housing;

(ii) conduct related activities including real property acquisition, site improvement, conversion, demolition;

(iii) provide for other expenses, including financing costs and relocation expenses of any displaced persons, families, businesses, or organizations; or

(iv) provide for the payment of reasonable administrative and planning costs.

(C) INELIGIBLE USES.—Funds provided under this section may not be used to—

(i) modernize public housing;

(ii) provide tenant-based assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o));

(iii) support ongoing operational costs of rental housing;

(iv) pay back taxes or fees on properties that are or will be assisted under this section; and

(v) provide non-Federal matching funds for any other Federal program.

(D) SALE OF BONDS.—Funds may also be used by a State as a source of revenue (restricted solely to interest earnings of the applicable State loan fund) or security for payment of the principal and interest on revenue or general obligation bonds issued by the State to provide matching funds under subsection (d), if the proceeds of the sale of the bonds will be deposited in the State loan fund.

(3) LIMITATION.—No assistance under this section shall be provided to an eligible entity that does not have the technical, managerial, and financial capability to ensure compliance with the requirements of this section.

(c) FUND MANAGEMENT.—Each State loan fund under this section shall be established, maintained, and credited with repayments and interest. The fund corpus shall be available in perpetuity for providing financial assistance under this section. To the extent amounts in the fund are not required for current obligation or expenditure, such amounts shall be invested in interest bearing obligations.

(d) STATE CONTRIBUTION.—Each agreement under subsection (b) shall require that the State deposit in the State loan fund from cash contributions from non-Federal resources an amount equal to at least 20 percent of the total amount of the loan to be made to the State on or before the date on which the loan payment is made to the State.

(e) TYPES OF ASSISTANCE.—Except as otherwise limited by State law, the amounts deposited into a State loan fund under this section may be used only—

(1) to make loans to eligible entities for the purposes described in subsection (b)(2), on the condition that—

(A) the interest rate for each loan is less than or equal to the market interest rate, including an interest-free loan;

(B) principal and interest payments on each loan will commence not later than 18 months after completion of the project for which the loan was made;

(C) each loan will be fully amortized not later than 30 years after the completion of the project, except that a State may provide an extended term for a loan, if the extended term—

(i) terminates not later than the date that is 40 years after the date of project completion; and

(ii) does not exceed the expected design life of the project;

(D) the recipient of each loan will establish a dedicated source of revenue (or, in the case of a privately owned system, demonstrate that there is adequate security) for the repayment of the loan; and

(E) the State loan fund will be credited with all payments of principal and interest on each loan;

(2) to buy or refinance the debt obligation of a municipality or an intermunicipal or interstate agency within the State at an interest rate that is less than or equal to the market interest rate in any case in which a debt obligation is incurred after the date this bill takes effect;

(3) to guarantee, or purchase insurance for, a local obligation (all of the proceeds of which finance a project eligible for assistance under this section) if the guarantee or purchase would improve credit market access or reduce the interest rate applicable to the obligation;

(4) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the pro-

ceeds of the sale of the bonds will be deposited into the State loan fund; and

(5) to earn interest on the amounts deposited into the State loan fund.

(f) ADMINISTRATION OF STATE LOAN FUNDS.—

(1) COMBINED FINANCIAL ADMINISTRATION.— A State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a State loan fund established under this section with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which the State loan fund was established and if the Secretary determines that—

(A) the loans under this section, together with loan repayments and interest, will be separately accounted for and used solely for the purposes specified in subsection (b); and

(B) the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to assistance remains with the State agency having primary responsibility for administration of the State program, after consultation with other appropriate State agencies (as determined by the State).

(2) COST OF ADMINISTERING FUND.—

(A) AUTHORIZATION.—

(i) IN GENERAL.—For each fiscal year, a State may use the amount described in clause (ii)—

(I) to cover the reasonable costs of administration of the programs under this section, including the recovery of reasonable costs expended to establish a State loan fund that are incurred after the date this section takes effect; and

(II) to provide technical assistance to eligible entities within the State.

(ii) DESCRIPTION OF AMOUNT.—The amount referred to in clause (i) is an amount equal to the sum of—

(I) the amount of any fees collected by the State for use in accordance with clause (i)(I), regardless of the source; and

(II) the greatest of—

(aa) $400,000;

(bb) 1/5 percent of the current valuation of the fund; and

(cc) an amount equal to 4 percent of all loan awards to the fund under this section for the fiscal year.

(B) ADDITIONAL USE OF FUNDS.—For fiscal year 2026 and each fiscal year thereafter, each State may use up to an additional 10 percent of the funds allotted to the State under this section to administer or provide technical assistance to eligible entities.

(C) TECHNICAL ASSISTANCE.—An additional 2 percent of the funds annually allotted to each State under this section may be used by the State to provide technical assistance to eligible entities serving 10,000 or fewer persons in the State.

(3) GUIDANCE AND REGULATIONS.—The Secretary shall publish guidance and promulgate regulations as may be necessary to carry out the provisions of this section, including—

(A) provisions to ensure that each State commits and expends funds allotted to the

State under this section as efficiently as possible in accordance with this section and applicable State laws;

(B) guidance to prevent waste, fraud, and abuse; and

(C) guidance to ensure that the States, and eligible entities, use accounting, audit, and fiscal procedures that conform to generally accepted accounting standards.

(4) STATE REPORT.—Each State administering a State loan fund and assistance program under this subsection shall publish and submit to the Secretary a report every 2 years on its activities under this section, including the findings of the most recent audit of the fund and the entire State allotment. The Secretary shall periodically audit all State loan funds established by, and all other amounts allotted to, the States pursuant to this section in accordance with procedures established by the Comptroller General.

(g) QUALIFIED HOUSING.—

(1) RENTAL HOUSING.—

(A) IN GENERAL.—For not less than 15 years after housing is assisted under this section, housing that is for rental shall qualify as affordable housing under this section only if the housing—

(i) bears rents that—

(I) are not greater than the existing fair market rent for comparable units in the area, as established by the Secretary; or

(II) does not exceed 30 percent of 165 percent of the median income for the area and is not below 30 percent of 80 percent of the median income for the area, as determined by the Secretary, with adjustment for number of bedrooms in the unit, except that the Secretary may establish higher or lower income parameters on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes;

(ii) is occupied only by households with income at or lower than the area median income at which the rental price would be 30 percent of the area median income; and

(iii) if newly constructed, meets the same energy efficiency standards promulgated by the Secretary pursuant to section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709).

(B) ADJUSTMENT OF QUALIFYING RENT.—The Secretary may adjust the qualifying rent established for a project under subparagraph (A), only if the Secretary finds that such adjustment is necessary to support the continued financial viability of the project and only by such amount as the Secretary determines is necessary to maintain continued financial viability of the project.

(C) MIXED-INCOME PROJECT.—Housing that accounts for less than 100 percent of the dwelling units in a project financed under this section shall qualify for loans under this section if such housing meets the criteria of this Act.

(D) MIXED-USE PROJECT.—Housing in a project that is designed in part for uses other than residential use shall qualify for loans under this section if such housing meets the criteria of this Act.

(E) WAIVER OF QUALIFYING RENT.—For the purpose of providing affordable housing, the Secretary may, upon the application of the project owner, waive the applicability of subparagraph (A) with respect to a dwelling unit if—

(i) the rent for the unit is not greater than the existing fair market rent for comparable units in the area, as established by the Secretary; and

(ii) the Secretary determines that the waiver, together with waivers under this paragraph for other dwelling units in the project, will result in the use of amounts in an effective manner that will improve the provision of affordable housing for such families.

(2) HOMEOWNERSHIP.—Housing that is for homeownership shall qualify as affordable housing under this section only if the housing—

(A) with respect to housing with 5 or more units, includes—

(i) 50 percent of such housing units that are affordable for families whose income is between 120 and 165 percent of the median income for the area, as determined by the Secretary; and

(ii) 20 percent of such housing units that are affordable for families whose income is under 80 percent of the median income for the area, as determined by the Secretary;

(B) with respect to housing with 1 to 4 units, is affordable for families whose income is between 80 and 165 percent of the median income for the area, as determined by the Secretary;

(C) is subject to resale restrictions, for 5 years, that are established by the eligible entity and determined by the Secretary to be appropriate to—

(i) allow for subsequent purchase of the property only by persons who meet the qualifications specified under subparagraphs (A) and (B), at a price which will—

(I) provide the owner with a fair return on investment, including any improvements, and

(II) ensure that the housing will remain affordable to a reasonable range of middle-income homebuyers; or

(ii) recapture the investment provided under this section in order to assist other persons in accordance with the requirements of this section, except where there are no net proceeds or where the net proceeds are insufficient to repay the full amount of the assistance; and

(D) if newly constructed, meets the same energy efficiency standards promulgated by the Secretary pursuant to section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709).

(h) LABOR REQUIREMENTS.—An eligible entity that receives a loan under this section must comply with the following requirements with respect to urban areas with an average greater than 2,000 housing units per adjacent census block:

(1) APPRENTICESHIP REQUIREMENTS.—The requirements described in this paragraph with respect to the construction of any housing unit are as follows:

(A) LABOR HOURS.—Eligible entities shall ensure that, with respect to the construction of any housing unit, not less than 15 percent of the total labor hours of the construction, alteration, or rehabilitation work (including such work performed by any contractor or subcontractor) with respect to such unit shall, subject to subparagraph (B), be performed by qualified apprentices.

(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of the Department of Labor or the applicable State apprenticeship agency.

(C) PARTICIPATION.—Each eligible entity, contractor, or subcontractor who employs 4 or more individuals to perform construction, alteration, or repair work with respect to the construction of a housing unit shall employ 1 or more qualified apprentices to perform such work.

(D) EXCEPTION.—

(i) IN GENERAL.—An eligible entity shall not be treated as failing to satisfy the requirements of this paragraph if such eligible entity—

(I) satisfies the requirements described in clause (ii); or

(II) in the case of any failure by the eligible entity to satisfy the requirement under subparagraphs (A) and (C) with respect to the construction, alteration, or rehabilitation work on any housing unit to which subclause (I) does not apply, makes payment to the Secretary of a penalty in an amount equal to the product of—

(aa) $50; multiplied by

(bb) the total labor hours for which the requirement described in such subparagraph was not satisfied with respect to the construction, alteration, or repair work on such housing unit.

(ii) GOOD FAITH EFFORT.—For purposes of clause (i), an eligible entity shall be deemed to have satisfied the requirements under this paragraph with respect to a housing unit if such eligible entity has requested qualified apprentices from a registered apprenticeship program, and—

(I) such request has been denied, provided that such denial is not the result of a refusal by the eligible entity or any contractors or subcontractors engaged in the performance of construction, alteration, or repair work with respect to such housing unit to comply with the established standards and requirements of the registered apprenticeship program; or

(II) the registered apprenticeship program fails to respond to such request within 5 business days after the date on which such registered apprenticeship program received such request.

(E) DEFINITIONS.—For purposes of this paragraph—

(i) LABOR HOURS.—The term ‘‘labor hours’’—

(I) means the total number of hours devoted to the performance of construction, alteration, or repair work by any individual employed by the eligible entity or by any contractor or subcontractor; and

(II) excludes any hours worked by—

(aa) foremen;

(bb) superintendents;

(cc) owners; or

(dd) persons employed in a bona fide executive, administrative, or professional capacity (within the meaning of those terms in part 541 of title 29, Code of Federal Regulations).

(ii) QUALIFIED APPRENTICE.—The term ‘‘qualified apprentice’’ means an individual who is employed by the eligible entity or by any contractor or subcontractor and who is participating in a registered apprenticeship program.

(2) PREVAILING WAGE REQUIREMENTS.—

(A) DAVIS-BACON.—All laborers and mechanics employed by contractors or subcontractors in the performance of construction, alteration, or repair work on a project assisted in whole or in part by funding made available under this section shall be paid wages at rates not less than those prevailing on similar projects in the locality, as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly referred to as the "Davis-Bacon Act").

(B) AUTHORITY.—With respect to the labor standards specified in subparagraph (A), the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan No. 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

(3) I–9 COMPLIANCE.—The eligible entity or any contractor or subcontractor in the construction of any housing unit shall complete documentation to establish that any laborers or mechanics employed by the eligible entity or any contractor or subcon-

tractor is eligible to work in the United States, in accordance with part VIII of subchapter II of chapter 12 of title 8, United States Code.

(4) PROJECT LABOR AGREEMENTS.—

(A) IN GENERAL.—A contractor for a project carried out under this section that is a construction project shall be a party to a covered project labor agreement.

(B) DEFINITIONS.—In this paragraph:

(i) COVERED PROJECT LABOR AGREEMENT.—The term ''covered project labor agreement'' means a project labor agreement that—

(I) binds all contractors and subcontractors on the construction project through the inclusion of appropriate specifications in all relevant solicitation provisions and contract documents;

(II) allows all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise a party to a collective bargaining agreement;

(III) contains guarantees against strikes, lockouts, and other similar job disruptions;

(IV) sets forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the covered project labor agreement; and

(V) provides other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety, and health.

(ii) PROJECT LABOR AGREEMENT.—The term "project labor agreement" means a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project and is described in section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)).

(5) RESPONSIBLE CONTRACTOR POLICY.—Any contractor or subcontractor for a project carried out with funds provided under this section shall—

(A) follow all applicable Federal, State, and local laws, including such laws related to required licenses, registrations, certifications, insurance, and other credentials;

(B) within the previous 10 years, not have been convicted of any crime relating to the contracting business of such contractor or subcontractor; and

(C) within the previous 8 years, not have—

(i) been debarred or suspended by a Federal, State, or local government agency or authority;

(ii) defaulted on a project;

(iii) had any type of business, contracting or trade license, registration, or other certification revoked or suspended; and

(iv) been found in violation of any law applicable to the business of the contractor or subcontractor, including licensing, tax, wage and hour, prevailing wage, labor, employment, environmental, safety laws, or others, where the result of such violation was the payment of a fine, back pay damages or any other type of penalty in the amount of $5,000 or more.

(6) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary to carry out the purposes of this subsection, including regulations or other guidance which provides for requirements for recordkeeping or information reporting for purposes of administering the requirements of this subsection.

○