to continue that tradition. The only changes that will be made are to update the dates to reflect and celebrate another century that has passed since this coin was put into circulation 100 years ago.

As America marks its 250th anniversary this year, the coin will honor the same ideas and values that were recognized back then for the sesquicentennial in 1926.

Every citizen deserves the opportunity to acquire such a coin as a means to connect the founding principles of liberty, democracy, and self-governance. The $2.50 anniversary coin for the 250th anniversary provides an opportunity for the American people to engage with and to take personal ownership of their national heritage through a tangible and lasting tribute.

In addition to the congressionally authorized activities already planned by the Mint, this new anniversary coin will serve not only as a lasting tribute to the founding generations but to the ideals that we share with them to this very day. It also is a unifying and educational gesture on the occasion of the 250th, or the semiquincentennial, that we celebrate.

In this day and age, I can find no issue more worthy of Congress' attention than an initiative that codifies our unity and reminds us that there will always be more that unites us than divides us.

Madam Speaker, again, I thank my colleague, BONNIE WATSON COLEMAN, for working with me on this piece of legislation. I urge my colleagues to vote for this initiative and to follow in the footsteps of our predecessors in the 68th Congress in 1926 who set an example that will last for generations to come.

Ms. WATERS. Madam Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. WATSON COLEMAN), who has put a lot of work into this as she serves as the co-chair of the America 250 Caucus and serves on the Semiquincentennial Commission.

Mrs. WATSON COLEMAN. Madam Speaker, I thank Representative WATERS from the great State of California for yielding.

Let me just say, I enjoyed working on this endeavor with my colleague across the aisle, Mr. ADERHOLT. It has been a pleasure.

Madam Speaker, in 1776, the Declaration of Independence put into writing a set of ideals that reshaped this Nation and influenced the world.

Every major anniversary since has given Americans a chance to reflect on those principles and what they require of us. The $2.50 for America's 250th Act continues a long tradition of commemorating our Nation's milestones through coinage.

This bill authorizes the Treasury to issue a circulating and collectible $2.50 coin, modeled on the design first issued for America's 150 anniversary.

That earlier coin connected Americans to their shared history through something tangible and accessible to all. This legislation does the very same as we prepare for the semiquincentennial.

As a cofounder and co-chair of the America 250 Caucus and a member of the America 250 Commission, I am so grateful for the partnership with Representative ADERHOLT and my House colleagues on a bipartisan basis as we prepare the Nation's celebration of America's 250 birthday, which I pray is bicameral, bipartisan, and able to be enjoyed by all the people in this country.

Mr. HILL of Arkansas. Mr. Speaker, I am prepared to close, and I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this legislation gives us an opportunity to celebrate the 250th anniversary of the Declaration of Independence and the ideals and founding principles of our country, like the rule of law and separation of powers. Individual freedom, dignity, and equality are being ruthlessly undermined today by this administration.

□ 1530

Mr. Speaker, I hope this Chamber's commitment to America's founding principles is not merely symbolic, somewhat like the coin, but will be represented in our commitment to protect these principles and exercise our responsibilities to democracy in the Constitution.

Mr. Speaker, I urge my colleagues to support this bill, and I thank Mrs. WATSON COLEMAN for all of the work that she has put in on America250 Caucus.

Mr. Speaker, I yield back the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I thank Mr. ADERHOLT for using this historic precedent to, again, have a numismatic memory of our semiquincentennial with this $2.50 coin. I commend him for his work, his loyalty to this country, and for his service to the people in Alabama.

Mr. Speaker, for all the reasons I explained earlier, I urge my colleagues to support this bill, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. NUNN of Iowa). The question is on the motion offered by the gentleman from Arkansas (Mr. HILL) that the House suspend the rules and pass the bill, H.R. 5616, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: ''A bill to amend title 31, United States Code, to require the Secretary of the Treasury to mint and issue $2.50 numismatic coins, and for other purposes.''.

A motion to reconsider was laid on the table.

HOUSING FOR THE 21ST CENTURY ACT

Mr. HILL of Arkansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6644) a bill to increase the supply of housing in America, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6644

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Housing for the 21st Century Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—BUILDING SMARTER FOR THE 21ST CENTURY

SEC. 101. HOUSING SUPPLY FRAMEWORKS.

(a) DEFINITIONS.—In this section:

(1) AFFORDABLE HOUSING.—The term ''affordable housing'' means housing for which the monthly payment is not more than 30-percent of the monthly income of the household.

(2) ASSISTANT SECRETARY.—The term ''Assistant Secretary'' means the Assistant Secretary for Policy Development and Research of the Department of Housing and Urban Development.

(3) LOCAL ZONING FRAMEWORK.—The term ''local zoning framework'' means the local zoning codes and other ordinances, procedures, and policies governing zoning and land-use at the local level.

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

(5) STATE ZONING FRAMEWORK.—The term ''State zoning framework'' means the State legislation or State agency and department procedures, or such legislation or procedures in an insular area of the United States, enabling local planning and zoning authorities and establishing and guiding related policies and programs.

(b) GUIDELINES ON STATE AND LOCAL ZONING FRAMEWORKS.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Assistant Secretary shall publish documents outlining guidelines and best practices to support production of adequate housing to meet the needs of communities and provide housing opportunities for individuals at every income level across communities with respect to—

(A) State zoning frameworks; and

(B) local zoning frameworks.

(2) CONSULTATION; PUBLIC COMMENT.—During the 2-year period beginning on the date of enactment of this Act, in developing the guidelines and best practices required under paragraph (1), the Assistant Secretary shall—

(A) publish draft guidelines and best practices in the Federal Register for public comment; and

(B) establish a task force for the purpose of providing consultation to draft the guidelines and best practices published under subparagraph (A), the members of which shall include—

(i) urban planners and architects;

(ii) housing developers, including affordable and market-rate housing developers, manufactured housing developers, cooperative housing developers, and other business interests;

(iii) community engagement experts and community members impacted by zoning decisions;

(iv) public housing agencies and transit authorities;

(v) members of local zoning and planning boards and local and regional transportation planning organizations;

(vi) State officials responsible for housing or land use, including members of State zoning boards of appeals;

(vii) academic researchers; and

(viii) home builders.

(3) CONTENTS.—The guidelines and best practices required under paragraph (1) shall—

(A) with respect to State zoning frameworks, outline potential models for updated State enabling legislation or State agency and department procedures;

(B) include recommendations regarding—

(i) the reduction or elimination of parking minimums;

(ii) the increase in maximum floor area ratio requirements and maximum building heights and the reduction in minimum lot sizes and set-back requirements;

(iii) the elimination of restrictions against accessory dwelling units;

(iv) increasing by-right uses, including duplex, triplex, or quadplex buildings, across cities or metropolitan areas;

(v) mechanisms, including proximity to transit, to determine the appropriate scope for rezoning and ensure development that does not disproportionately burden residents of economically distressed areas;

(vi) provisions regarding review of by-right development proposals to streamline review and reduce uncertainty, including—

(I) nondiscretionary, ministerial review; and

(II) entitlement and design review processes;

(vii) the reduction of obstacles, regulatory or otherwise, to a range of housing types at all levels of affordability, including manufactured and modular housing;

(viii) State model zoning regulations for directing local reforms, including mechanisms to encourage adoption;

(ix) provisions to encourage transit-oriented development, including increased permissible units per structure and reduced minimum lot sizes near existing or planned public transit stations;

(x) potential reforms to strengthen the public engagement process;

(xi) reforms to protest petition statutes;

(xii) the standardization, reduction, or elimination of impact fees;

(xiii) cost-effective and appropriate building codes;

(xiv) models for community benefit agreements;

(xv) mechanisms to preserve affordability, limit disruption of low-income communities, and prevent displacement of existing residents;

(xvi) with respect to State zoning frameworks—

(I) State model codes for directing local reforms, including mechanisms to encourage adoption;

(II) a model for a State zoning appeals process, which would—

(aa) create a process for developers or builders requesting a variance, conditional use, special permit, zoning district change, similar discretionary permit, or otherwise petitioning a local zoning or planning board for a project including a State-defined amount of affordable housing to appeal a rejection to a State body or regional body empowered by the State; and

(bb) establish qualifications for communities to be exempted from the appeals process based on their available stock of affordable housing; and

(III) streamlining of State environmental review policies;

(xvii) with respect to local zoning frameworks—

(I) the simplification and standardization of existing zoning codes;

(II) maximum review timelines;

(III) best practices for the disposition of land owned by local governments for affordable housing development;

(IV) differentiations between best practices for rural, suburban, and urban communities, and communities with different levels of density or population distribution; and

(V) streamlining of local environmental review policies; and

(xviii) other land use measures that promote access to new housing opportunities identified by the Secretary; and

(C) consider—

(i) the effects of adopting any recommendation on eligibility for Federal discretionary grants and tax credits for the purpose of housing or community development;

(ii) coordination between infrastructure investments and housing planning;

(iii) local housing needs, including ways to set and measure housing goals and targets;

(iv) a range of affordability for rental units, with a prioritization of units attainable to extremely low-, low-, and moderate-income residents;

(v) a range of affordability for homeownership;

(vi) accountability measures;

(vii) the long-term cost to residents and businesses if more housing is not constructed;

(viii) barriers to individuals seeking to access affordable housing in growing communities and communities with economic opportunity;

(ix) with respect to State zoning frameworks—

(I) distinctions between States providing constitutional or statutory home rule authority to municipalities and States operating under the Dillon Rule, as articulated in *Hunter* v. *Pittsburgh*, 207 U.S. 161 (1907); and

(II) Statewide mechanisms to preserve existing affordability over the long term, including support for land banks and community land trusts;

(x) public comments elicited under paragraph (2)(A); and

(xi) other considerations, as identified by the Assistant Secretary.

(c) ABOLISHMENT OF THE REGULATORY BARRIERS CLEARINGHOUSE.—

(1) IN GENERAL.—The Regulatory Barriers Clearinghouse established pursuant to section 1205 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705d) is abolished.

(2) REPEAL.—Section 1205 of the Housing and Community Development Act of 1992 (42 U.S.C. 12705d) is repealed.

(d) REPORTING.—Not later than 5 years after the date on which the Assistant Secretary publishes the final guidelines and best practices for State and local zoning frameworks under this section, the Assistant Secretary shall submit to the Congress a report describing—

(1) the States that have adopted recommendations from the guidelines and best practices, pursuant to section 4 of this Act;

(2) a summary of the localities that have adopted recommendations from the guidelines and best practices, pursuant to section 4 of this Act;

(3) a list of States that adopted a State zoning framework;

(4) a summary of the modifications that each State has made in their State zoning framework;

(5) a general summary of the types of updates localities have made to their local zoning framework;

(6) with respect to the States that have adopted a State zoning framework or recommendations from the guidelines and best practices, the effect of such adoptions; and

(7) a summary of any recommendations that were routinely not adopted by States or by localities.

(e) RULE OF CONSTRUCTION.—Nothing in this section may be construed to permit the Department of Housing and Urban Development to take an adverse action against or

fail to provide otherwise offered actions or services for any State or locality if the State or locality declines to adopt a guideline or best practice under subsection (c).

SEC. 102. ACCELERATING HOME BUILDING GRANT PROGRAM.

(a) IN GENERAL.—The Secretary may establish a pilot program to award grants to eligible entities to review designs of covered structures of mixed-income housing and designate such reviewed designs to be included in pattern books for use in the jurisdiction of the eligible entity.

(b) RESTRICTION.—Amounts awarded under this section may not be used for construction, alteration, or repair work.

(c) CONSIDERATIONS.—In reviewing applications submitted by eligible entities for a grant under this section, the Secretary shall consider—

(1) the need for affordable housing in the eligible entity;

(2) the presence of high opportunity areas in the eligible entity;

(3) coordination between the eligible entity and a State agency; and

(4) coordination between the eligible entity and State, local, and regional transportation planning authorities.

(d) SET-ASIDE FOR RURAL AREAS.—Of the amounts made available in each fiscal year for grants under this section, the Secretary shall ensure that not less than 10-percent shall be used for grants to eligible entities that are located in rural areas.

(e) REPORT REQUIREMENT.—Not later than 3 years after being awarded a grant under this section, an eligible entity shall submit to the Secretary a report that—

(1) describes the impacts of the activities carried out using the amounts provided under this section on improving the production and supply of affordable housing;

(2) includes a list of any pattern books the eligible entity has established using amounts provided under this section, including a description of the designs such pattern book includes;

(3) identifies the number of permits issued by the eligible entity for housing development using designs from such pattern book; and

(4) identifies the number of housing units produced in developments of the eligible entity using a design from such pattern book.

(f) AVAILABILITY OF INFORMATION.—The Secretary shall—

(1) to the extent possible, encourage eligible entities awarded grants under this section to make any pattern books established by such entity, and designs in such pattern book, publicly available through a website; and

(2) collect, identify, and disseminate best practices relating to pattern books and make such information publicly available on a website of the Department of Housing and Urban Development.

(g) REPAYMENT OF AWARDED AMOUNTS.—The Secretary may require an eligible entity to return, to the Secretary, grant amounts awarded under this section if the Secretary determines that the eligible entity has not approved a sufficient number of building permits that use designs included in a pattern book established by the eligible entity, during the 5-year period following receipt of the grant by the eligible entity, unless such period is extended by the Secretary.

(h) SUNSET.—The pilot program established under this section shall terminate on the date that is 7 years after the date of the enactment of this section.

(i) DEFINITIONS.—In this section:

(1) AFFORDABLE HOUSING.—The term ''affordable housing'' means housing for which the total monthly housing cost payment is not more than 30-percent of the monthly household income for a household earning not more than 80-percent of the area-median income.

(2) COVERED STRUCTURE.—The term ''covered structure'' means a low-rise or mid-rise structure with not more than 25 dwelling units that may include—

(A) an accessory dwelling unit;

(B) infill development;

(C) a duplex;

(D) a triplex;

(E) a fourplex;

(F) a cottage court;

(G) a courtyard building;

(H) a townhouse;

(I) a multiplex; and

(J) any other structure with not less than 2 dwelling units that the Secretary has determined in advance to be appropriate.

(3) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a unit of general local government, as defined in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)); and

(B) an Indian Tribe, as defined in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).

(4) HIGH OPPORTUNITY AREA.—The term ''high opportunity area'' has the meaning given the term in section 1282.1 of title 12, Code of Federal Regulations, or any successor regulation.

(5) INFILL DEVELOPMENT.—The term ''infill development'' means a residential housing development on small parcels in previously established areas for replacement by new or refurbished housing that utilizes existing utilities and infrastructure.

(6) MIXED-INCOME HOUSING.—The term ''mixed-income housing'' means a housing development that is comprised of housing units that promote differing levels of affordability in the community.

(7) PATTERN BOOK.—The term ''pattern book'' means a set of pre-reviewed, designated designs or construction plans that are assessed and approved as by-right development by localities for compliance with local building and permitting standards to streamline and expedite approval pathways for housing construction.

(8) RURAL AREA.—The term ''rural area'' means any area other than a city or town that has a population of less than 50,000 inhabitants.

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

SEC. 103. FEDERAL GUIDELINES FOR POINT-ACCESS BLOCK BUILDINGS.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this section, the Secretary of Housing and Urban Development shall issue guidelines to provide States, territories, Tribes, and localities with model code language, best practices, and technical guidance that could be used to facilitate the permitting of point-access block residential buildings.

(b) CONTENTS.—When developing the guidelines under subsection (a), the Secretary shall consider—

(1) fire safety considerations, including sprinkler coverage, smoke detection, ventilation, and building egress performance;

(2) construction costs and potential impacts on housing affordability, including the potential for increasing housing supply in high-cost jurisdictions;

(3) flexibility for diverse consumer needs, including family sizes, unit configurations, and accessibility;

(4) examples of single-stair codes adopted or considered by States and cities in the United States;

(5) examples single-stair codes used in relevant international standards;

(6) research and model language relating to single-stair codes produced by organizations that focus on point-access block building design and building-code reform;

(7) consulting with experts, including developers, architects, fire marshals, researchers, economists, housing authorities, and officials in States that have enacted or piloted single-stair codes; and

(8) alternative methods of safety compliance, including options that utilize additional passive or active safety features.

(c) COORDINATION WITH THE INTERNATIONAL CODE COUNCIL.—The Secretary shall coordinate with the International Code Council to encourage the International Code Council to incorporate provisions about point-access block buildings into the International Building Code.

(d) GRANTS.—

(1) IN GENERAL.—The Secretary may establish a program to award competitive grants to eligible entities to implement pilot projects that evaluate, demonstrate, or validate the safety, feasibility, or cost-effectiveness of point-access block residential buildings.

(2) SUNSET.—The program established under paragraph (1) shall terminate on the date that is 7 years after the date of the enactment of this subsection.

(e) RULE OF CONSTRUCTION.—Nothing in this section may be construed to preempt a State or local building code.

(f) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means a State, unit of local government, Tribal Government, public housing agency, nonprofit housing organization, community development organization, private developer, construction firm, qualified design firm, engineering firm, academic institution, research institution, or any partnership or consortium comprised of 2 or more such types of entities.

(2) POINT-ACCESS BLOCK BUILDING.—The term ''point-access block building'' means a Group R–2 occupancy residential structure, as such term is defined by the International Building Code, in which a single internal stairway provides access and egress for all dwelling units in a building that is not greater than 6 stories in height.

SEC. 104. UNLOCKING HOUSING SUPPLY THROUGH STREAMLINED AND MODERNIZED REVIEWS.

(a) NEPA STREAMLINING FOR HUD HOUSING-RELATED ACTIVITIES.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development shall, in accordance with section 553 of title 5, United States Code, expand and reclassify housing-related activities under the necessary administrative regulations as follows:

(A) The following housing-related activities shall be subject to regulations equivalent or substantially similar to the regulations entitled ''exempt activities'' as set forth in section 58.34 of title 24, Code of Federal Regulations, as in effect on January 1, 2025:

(i) Tenant-based rental assistance, as defined in section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)).

(ii) Supportive services, including health care, housing services, permanent housing placement, day care, nutritional services, short-term payment for rent, mortgage, or utility costs, and assistance in gaining access to Federal Government and State and local government benefits and services.

(iii) Operating costs, including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training, and recruitment and other incidental costs.

(iv) Economic development activities, including equipment purchases, inventory financing, interest subsidies, operating expenses, and similar costs not associated with construction or expansion of existing operations.

(v) Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest rate buydowns, and similar activities that result in the transfer of title.

(vi) Affordable housing predevelopment costs related to obtaining site options, project financing, administrative costs and fees for loan commitment, zoning approvals, and other related activities that do not have a physical impact.

(vii) Approval of supplemental assistance, including insurance or guarantee, to a project previously approved by the Secretary.

(viii) Emergency homeowner or renter assistance for HVAC, hot water heaters, and other necessary uses of existing utilities required under applicable law.

(B) The following housing-related activities shall be subject to regulations equivalent or substantially similar to the regulations entitled—

(i) ''categorical exclusions not subject to section 58.5''; and

(ii) ''categorical exclusions not subject to the Federal laws and authorities cited in sections 50.4'' in section 58.35(b) and section 50.19, respectively of title 24, Code of Federal Regulations, as in effect on January 1, 2025, if such activities do not materially alter environmental conditions and do not materially exceed the original scope of the project:

(I) Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) if the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20-percent, including replacement of water or sewer lines, reconstruction of curbs and sidewalks, and repaving of streets.

(II) Rehabilitation of 1-to-4 unit residential buildings, and existing housing-related infrastructure, such as repairs or rehabilitation of existing wells, septics, or utility lines that connect to that housing.

(III) New construction, development, demolition, acquisition, or disposition on up to 4 scattered site existing dwelling units where there is a maximum of 4 units on any 1 site.

(IV) Acquisitions (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land if the structure or land acquired, financed, or disposed of will be retained for the same use.

(C) The following housing-related activities shall be subject to regulations equivalent or substantially similar to the regulations entitled—

(i) ''categorical exclusions subject to section 58.5''; and

(ii) ''categorical exclusions subject to the Federal laws and authorities cited in sections 50.4'' in section 58.35(a) and section 50.20, respectively, of title 24, Code of Federal Regulations, as in effect on January 1, 2025, if such activities do not materially alter environmental conditions and do not materially exceed the original scope of the project:

(I) Acquisitions of open space or residential property, where such property will be retained for the same use or will be converted to open space to help residents relocate out of an area designated as a high-risk area by the Secretary.

(II) Conversion of existing office buildings into residential development, subject to—

(aa) a maximum number of units to be determined by the Secretary; and

(bb) a limitation on the change in building size to not more than 20-percent.

(III) New construction, development, demolition, acquisition, or disposition on 5 to 15 dwelling units where there is a maximum of 15 units on any 1 site. The units can be 15 1-unit buildings or 1 15-unit building, or any combination in between.

(IV) New construction, development, demolition, acquisition, or disposition on 15 or more housing units developed on scattered sites when there are not more than 15 housing units on any 1 site, and the sites are more than a set number of feet apart as determined by the Secretary.

(V) Rehabilitation of buildings and improvements in the case of a building for residential use with 5 to 15 units, if the density is not increased beyond 15 units and the land use is not changed.

(VI) Infill projects consisting of new construction, rehabilitation, or development of residential housing units.

(VII) Buyouts, defined as the voluntary acquisition of properties located in—

(aa) a floodway;

(bb) a floodplain; or

(cc) an other area, clearly delineated by the grantee, that has been impacted by a predictable environmental threat to the safety and wellbeing of program beneficiaries caused or exacerbated by a federally declared disaster.

(2) REPORT.—The Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives annual reports during the 5-year period beginning on the date that is 2 years after the date of enactment of this Act that provide a summary of findings of reductions in review times and administrative cost reduction, with a particular focus on the affordable housing sector, as a result of the actions set forth in this subsection, and any recommendations of the Secretary for future congressional action with respect to revising categorical exclusions or exemptions under title 24, Code of Federal Regulations.

(b) BETTER USE OF INTERGOVERNMENTAL AND LOCAL DEVELOPMENT FOR HOUSING.—

(1) DESIGNATION OF ENVIRONMENTAL REVIEW PROCEDURE.—The Department of Housing and Urban Development Act (42 U.S.C. 3531 et seq.) is amended by inserting after section 12 (42 U.S.C. 3537a) the following:

''SEC. 13. DESIGNATION OF ENVIRONMENTAL REVIEW PROCEDURE.

''(a) IN GENERAL.—Except as provided in subsection (b), the Secretary may, for purposes of environmental review, decision-making, and action pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and other provisions of law that further the purposes of such Act, designate the treatment of assistance administered by the Secretary as funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547).

''(b) EXCEPTION.—The designation described in subsection (a) shall not apply to assistance for which a procedure for carrying out the responsibilities of the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and other provisions of law that further the purposes of such Act, is otherwise specified in law.''.

(2) TRIBAL ASSUMPTION OF ENVIRONMENTAL REVIEW OBLIGATIONS.—Section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547) is amended—

(A) by striking ''State or unit of general local government'' each place it appears and inserting ''State, Indian Tribe, or unit of general local government'';

(B) in paragraph (1)(C), in the heading, by striking ''STATE OR UNIT OF GENERAL LOCAL GOVERNMENT'' and inserting ''STATE, INDIAN TRIBE, OR UNIT OF GENERAL LOCAL GOVERNMENT''; and

(C) by adding at the end the following:

''(5) DEFINITION OF INDIAN TRIBE.—For purposes of this subsection, the term 'Indian Tribe' means a federally recognized Tribe, as defined in section 4(13)(B) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(13)(B)).''.

(c) APPLICABILITY.—Any activity generated under subsections (a) or (b) would be subject to an authorization of appropriations.

(d) INFILL PROJECT DEFINED.—In this section, the term ''infill project'' means a project that—

(1) occurs within the geographic limits of a municipality;

(2) is adequately served by existing utilities and public services as required under applicable law;

(3) is located on a site of previously disturbed land of not more than 5 acres and substantially surrounded by residential or commercial development;

(4) will repurpose a vacant or underutilized parcel of land, or a dilapidated or abandoned structure; and

(5) will serve a residential or commercial purpose.

SEC. 105. FEDERAL HOUSING AGENCY APPLICATION OF ENVIRONMENTAL REVIEWS.

(a) MEMORANDUM OF UNDERSTANDING.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Housing and Urban Development and the Secretary of Agriculture shall enter into a memorandum of understanding to—

(A) evaluate the use of categorical exclusions (as defined in section 111 of the National Environmental Policy Act of 1969 (42 U.S.C. 4336e)) for housing projects funded by amounts from the Department of the Housing and Urban Development and the Department of Agriculture;

(B) develop a process to designate a lead agency among the Department of Housing and Urban Development and the Department of Agriculture to streamline the adoption of environmental impact statements and environmental assessments approved by the other agency to construct housing projects funded by amounts from both agencies;

(C) maintain compliance with environmental regulations under part 58 of title 24, Code of Federal Regulations, as in effect on January 1, 2025; and

(D) evaluate the feasibility of a joint physical inspection process for housing projects funded by amounts from the Department of the Housing and Urban Development and the Department of Agriculture.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Housing and Urban Development and the Secretary of Agriculture shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that includes recommendations for legislative, regulatory, or administrative actions—

(A) to improve the efficiency and effectiveness of housing projects funded by amounts from the Department of the Housing and Urban Development and the Department of Agriculture; and

(B) that do not materially, with respect to residents of housing projects described in subparagraph (A)—

(i) reduce the safety of those residents;

(ii) shift long-term costs onto those residents; or

(iii) undermine the environmental standards of those residents.

(b) STUDY AND REVIEW.—

(1) EXEMPTION.—In providing assistance under section 501, 502, 504, 515, 533, or 538 of the Housing Act of 1949 (42 U.S.C. 1471, 1472, 1474, 1485, 1490m, or 1490p–2) for the construction or modification of residential housing located on an infill site, the Secretary of Agriculture shall not be required to carry out any study or report on the environmental effects of such assistance.

(2) REPORT.—Not later than the date that is 5 years after the date of enactment of this section, the Secretary of Agriculture shall submit, to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report that—

(A) determines whether the implementation of this section—

(i) reduced the amount of time it takes to review an application for assistance under the sections of the Housing Act of 1949 identified in paragraph (1); and

(ii) reduced the administrative cost of providing such assistance;

(B) describes how the implementation of this section affects the affordable housing sector in rural America; and

(C) includes any legislative recommendations from the Secretary of Agriculture.

(2) DEFINITIONS.—In this section:

(A) GREENFIELD.—The term ''greenfield'' means a site that has not been developed, including a woodland, farmland, and an open field.

(B) INFILL SITE.—The term ''infill site''—

(i) means a site that is served by existing infrastructure, including water lines, sewer lines, and roads; and

(ii) does not include—

(I) a site that is served by existing infrastructure that only consists of a road;

(II) a site within a census tract designated as very high or relatively high risk for wildfire, coastal flooding, and riverine flooding under the National Risk Index of the Federal Emergency Management Agency pursuant to section 206 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5136); and

(III) a greenfield.

SEC. 106. MULTIFAMILY LOAN LIMITS.

(a) IN GENERAL.—Title II of the National Housing Act (12 U.S.C. 1707 et seq.) is amended—

(1) in section 206A (12 U.S.C. 1712a)—

(A) in subsection (a), in the matter following paragraph (7), by striking ''(commencing in 2004'' and all that follows through the period at the end and inserting the following: '', commencing on January 1, 2026. The adjustment of the Dollar Amounts shall be calculated by the Secretary using the percentage change in the Price Deflator Index of Multifamily Residential Units Under Construction released by the Bureau of the Census from March of the previous year to March of the year in which the adjustment is made, or calculated by the Secretary using an alternative indicator after publishing information about such alternative indicator in the Federal Register for public comment if the Price Deflator Index of Multifamily Residential Units Under Construction is not available or published.''; and

(B) by striking subsection (b) and inserting the following:

''(b) ROUNDING.—The dollar amount of any adjustment described in subsection (a) shall be rounded to the next lower dollar.

''(c) PUBLICATION.—The Secretary shall publish in the Federal Register any adjustments made to the Dollar Amounts.'';

(2) in section 207(c)(3)(A) (12 U.S.C. 1713(c)(3)(A))—

(A) by striking ''$38,025'' and inserting ''$167,310'';

(B) by striking ''$42,120'' and inserting ''$185,328'';

(C) by striking ''$50,310'' and inserting ''$221,364'';

(D) by striking ''$62,010'' and inserting ''$272,844'';

(E) by striking ''$70,200'' and inserting ''$308,880'';

(F) by striking '', or not to exceed $17,460 per space'';

(G) by striking ''$43,875'' and inserting ''$193,050'';

(H) by striking ''$49,140'' and inserting ''$216,216'';

(I) by striking ''$60,255'' and inserting ''$265,122'';

(J) by striking ''$75,465'' and inserting ''$332,046''; and

(K) by striking ''$85,328'' and inserting ''$375,443'';

(3) in section 213(b)(2) (12 U.S.C. 1715e(b)(2))—

(A) by striking ''$41,207'' and inserting ''$181,311'';

(B) by striking ''$47,511'' and inserting ''$209,048'';

(C) by striking ''$57,300'' and inserting ''$252,120'';

(D) by striking ''$73,343'' and inserting ''$322,709'';

(E) by striking ''$81,708'' and inserting ''$359,515'';

(F) by striking ''$43,875'' and inserting ''$193,050'';

(G) by striking ''$49,710'' and inserting ''$218,724'';

(H) by striking ''$60,446'' and inserting ''$265,962'';

(I) by striking ''$78,197'' and inserting ''$344,067''; and

(J) by striking ''$85,836'' and inserting ''$377,678'';

(4) in section 220(d)(3)(B)(iii)(I) (12 U.S.C. 1715k(d)(3)(B)(iii)(I))—

(A) by striking ''$38,025'' and inserting ''$167,310'';

(B) by striking ''$42,120'' and inserting ''$185,328'';

(C) by striking ''$50,310'' and inserting ''$221,364'';

(D) by striking ''$62,010'' and inserting ''$272,844'';

(E) by striking ''$70,200'' and inserting ''$308,880'';

(F) by striking ''$43,875'' and inserting ''$193,050'';

(G) by striking ''$49,140'' and inserting ''$216,216'';

(H) by striking ''$60,255'' and inserting ''$265,122'';

(I) by striking ''$75,465'' and inserting ''$332,046''; and

(J) by striking ''$85,328'' and inserting ''$375,443'';

(5) in section 221(d)(4)(ii)(I) (12 U.S.C. 1715l(d)(4)(ii)(I))—

(A) by striking ''$37,843'' and inserting ''$166,509'';

(B) by striking ''$42,954'' and inserting ''$188,997'';

(C) by striking ''$51,920'' and inserting ''$228,448'';

(D) by striking ''$65,169'' and inserting ''$286,744'';

(E) by striking ''$73,846'' and inserting ''$324,922'';

(F) by striking ''$40,876'' and inserting ''$179,854'';

(G) by striking ''$46,859'' and inserting ''$206,180'';

(H) by striking ''$56,979'' and inserting ''$250,708'';

(I) by striking ''$73,710'' and inserting ''$324,324''; and

(J) by striking ''$80,913'' and inserting ''$356,017'';

(6) in section 231(c)(2)(A) (12 U.S.C. 1715v(c)(2)(A))—

(A) by striking ''$35,978'' and inserting ''$166,509'';

(B) by striking ''$40,220'' and inserting ''$188,997'';

(C) by striking ''$48,029'' and inserting ''$228,448'';

(D) by striking ''$57,798'' and inserting ''$286,744'';

(E) by striking ''$67,950'' and inserting ''$324,922'';

(F) by striking ''$40,876'' and inserting ''$179,854'';

(G) by striking ''$46,859'' and inserting ''$206,180'';

(H) by striking ''$56,979'' and inserting ''$250,708'';

(I) by striking ''$73,710'' and inserting ''$324,324''; and

(J) by striking ''$80,913'' and inserting ''$356,017''; and

(7) in section 234(e)(3)(A) (12 U.S.C. 1715y(e)(3)(A))—

(A) by striking ''$42,048'' and inserting ''$185,011'';

(B) by striking ''$48,481'' and inserting ''$213,316'';

(C) by striking ''$58,469'' and inserting ''$257,263'';

(D) by striking ''$74,840'' and inserting ''$329,296'';

(E) by striking ''$83,375'' and inserting ''$366,850'';

(F) by striking ''$44,250'' and inserting ''$194,700'';

(G) by striking ''$50,724'' and inserting ''$223,186'';

(H) by striking ''$61,680'' and inserting ''$271,392'';

(I) by striking ''$79,793'' and inserting ''$351,089''; and

(J) by striking ''$87,588'' and inserting ''$385,387''.

(b) RULE OF CONSTRUCTION.—Nothing in this section or the amendments made by this section may be construed to limit the authority of the Secretary of Housing and Urban Development to revise the statutory exceptions for high-cost percentage and high-cost areas annual indexing.

SEC. 107. GAO STUDY ON WORKFORCE HOUSING.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this section, the Comptroller General of the United States shall conduct a study and submit to the Congress a report that—

(1) identifies obstacles middle-income households face when looking to secure affordable housing;

(2) identifies geographic areas where housing is the most unaffordable and unavailable for middle-income households;

(3) includes a list of Federal housing programs, including Federal tax credits, grants, and loan programs, that are not available to middle-income households due to their income status, including Federal housing programs designed to promote affordability;

(4) recommends income and other parameters to establish a clear and consistent Federal definition for the term ''workforce housing'' for use when describing the segment of housing that could be made available to such middle-income households in Federal housing programs if funding commensurate with the additional eligibility were to be made available; and

(5) analyzes how to modify or newly develop new Federal housing programs and incentives to include ''workforce housing'' if funding commensurate with the additional eligibility were to be made available.

(b) MIDDLE-INCOME HOUSEHOLD DEFINED.—In this section, the term ''middle income

household'' means a household with an income above 80-percent but that does not exceed 120-percent of the median family income of the area, as determined by the Secretary with adjustments for smaller and larger families.

TITLE II—MODERNIZING LOCAL DEVELOPMENT AND RURAL HOUSING PROGRAMS

SEC. 201. HOME REFORM.

(a) IN GENERAL.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended—

(1) in paragraph (6)(B), by striking ''significant''; and

(2) by adding at end the following new paragraph:

''(26) The term 'infill housing project' means a residential housing project that—

''(A) is located within the geographic limits of a municipality;

''(B) is adequately served by existing utilities and public services as required under applicable law;

''(C) is located on a site of previously disturbed land of not more than 5 acres; and

''(D) is substantially surrounded by residential or commercial development, as determined by the Secretary.''.

(b) ASSISTANCE FOR LOW-INCOME FAMILIES.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended—

(1) in section 214(2), by striking ''households that qualify as low-income families'' and inserting ''families with a household income that does not exceed 100-percent of the median-family income of the area, as determined by the Secretary'';

(2) in section 215—

(A) in subsection (b)(2), by striking ''whose family qualifies as a low-income family'' and inserting ''with a family income that does not exceed 100-percent of the median-family income of the area as determined by the Secretary with adjustments for smaller and larger families''; and

(B) in subsection (b)(3)(A)(ii), by striking ''low-income homebuyers'' and inserting ''homebuyers with a household income that does not exceed 100-percent of the median-family income of the area, as determined by the Secretary with adjustments for smaller and larger families''; and

(3) in section 271(c)—

(A) in paragraph (1)(B), by striking ''low-income'' and inserting ''families with a household income that does not exceed 100-percent of the median-family income of the area as determined by the Secretary with adjustments for smaller and larger families''; and

(B) in paragraph (2)(A), by striking ''low-income families'' and inserting ''families with a household income that does not exceed 100-percent of the median-family income of the area as determined by the Secretary with adjustments for smaller and larger families''.

(c) CHOICES MADE BY PARTICIPATING JURISDICTIONS.—Section 212(a)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742) is amended to read as follows:

''(2) LIMITATION.—The Secretary may not restrict a participating jurisdiction's choice of rehabilitation, substantial rehabilitation, new construction, reconstruction, acquisition, or other eligible housing uses authorized in paragraph (1) unless such restriction is explicitly authorized under section 223(2).''.

(d) USE OF AMOUNTS BY CERTAIN JURISDICTIONS FOR INFRASTRUCTURE IMPROVEMENTS.—

(1) IN GENERAL.—Section 212(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)) is amended by inserting after paragraph (3) the following:

''(4) INFRASTRUCTURE IMPROVEMENTS IN NONENTITLEMENT AREAS.—

''(A) IN GENERAL.—A participating jurisdiction may use funds provided under this subtitle for infrastructure improvements, including the installation or repair of water and sewer lines, sidewalks, roads, and utility connections if—

''(i) such participating jurisdiction does not receive assistance under title I of the Housing and Community Development Act of 1974; and

''(ii) such improvements are directly related to, and located within or immediately adjacent to—

''(I) housing assisted under this subtitle; or

''(II) housing assisted under section 42 of the Internal Revenue Code of 1986.

''(B) APPLICATION OF LABOR STANDARDS.—The labor standards and requirements set forth in section 110 of the Housing and Community Development Act of 1974 (42 U.S.C. 5310) shall apply to any infrastructure improvement conducted using funds provided under this subtitle.

''(C) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to impose any requirements of the HOME Investment Partnerships program on housing that benefits from an infrastructure improvement conducted using funds provided under this subtitle but was not otherwise assisted under the HOME Investment Partnerships program.''.

(2) RULEMAKING.—Not later than 1 year after the date of the enactment of this section, the Secretary shall issue rules to carry out the amendment made by paragraph (1).

(e) PER UNIT INVESTMENT LIMITATIONS.—Section 212(e)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(e)(1)) is amended by striking the second sentence.

(f) AFFORDABLE RENTAL HOUSING QUALIFICATIONS.—Section 215(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)) is amended by adding at the end the following:

''(7) QUALIFICATION EXCEPTION.—Notwithstanding paragraph (1)(A), a rental unit shall be considered to qualify as affordable housing under this title if—

''(A) the unit is occupied by a tenant receiving tenant-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

''(B) the tenant's contribution toward rent does not exceed the amount permitted under such section 8 assistance; and

''(C) the total rent for the unit does not exceed the amount approved by the public housing agency administering the assistance under that program.''.

(g) AFFORDABLE HOMEOWNERSHIP HOUSING QUALIFICATIONS.—Section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''95 percent'' and inserting ''110 percent'';

(B) in paragraph (3)—

(i) in subparagraph (A)(ii), by striking ''or'' at the end;

(ii) in subparagraph (B), by striking ''and'' at the end and inserting ''or''; and

(iii) by adding at the end the following new subparagraph:

''(C) maintain long-term affordability through a shared equity ownership model, a community land trust, a limited equity cooperative, a community development corporation, or other mechanism approved by the Secretary, that preserves affordability for future eligible homebuyers and ensures compliance with the purposes of this title, including through the use of purchase options, rights of first refusal or other preemptive rights to purchase housing; and''; and

(2) by adding at the end the following:

''(c) QUALIFICATION EXCEPTIONS FOR HOMEOWNERSHIP.—

''(1) MILITARY MEMBERS.—A participating jurisdiction, in accordance with terms established by the Secretary, may suspend or waive the income qualifications described in subsection (b)(2) with respect to housing that otherwise meets the criteria described in subsection (b) if the owner of the housing—

''(A) is a member of a regular component of the armed forces or a member of the National Guard on full-time National Guard duty, active Guard and Reserve duty, or inactive-duty training (as those terms are defined in section 101(d) of title 10, United States Code); and

''(B) has received—

''(i) temporary duty orders to deploy with a military unit or military orders to deploy as an individual acting in support of a military operation, to a location that is not within a reasonable distance from the housing, as determined by the Secretary, for a period of not less than 90 days; or

''(ii) orders for a permanent change of station.

''(2) HEIRS AND BENEFICIARIES OF DECEASED OWNERS.—Housing that meets the criteria described in subsection (b)(3) prior to the death of an owner of such housing shall continue to qualify as affordable housing under this title if—

''(A) the housing is the principal residence of an heir or beneficiary of the deceased owner, as defined by the Secretary; and

''(B) the heir or beneficiary, in accordance with terms established by the Secretary, assumes the duties and obligations of the deceased owner with respect to funds provided under this title.''.

(h) ELIMINATION OF EXPIRATION OF RIGHT TO DRAW HOME INVESTMENT TRUST FUNDS.—Section 218 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748) is amended—

(1) by striking subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

(i) ADJUSTED RECAPTURE AND REUSE OF SET-ASIDE FOR COMMUNITY HOUSING DEVELOPMENTAL ORGANIZATIONS.—Section 231(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12771(b)) is amended to read as follows:

''(b) RECAPTURE AND REUSE.—If any funds reserved under subsection (a) remain uninvested for a period of 24 months, the Secretary shall make such funds available to the participating jurisdiction for any eligible activities under title II of this Act without regard to whether a community housing development organization materially participates in the use of such funds.''.

(j) ASSET RECYCLING INFORMATION DISSEMINATION EXPANSION.—Section 245(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12785(b)(2)) is amended by striking ''95 percent'' and inserting ''110 percent''.

(k) ENVIRONMENTAL REVIEW REQUIREMENTS.—

(1) IN GENERAL.—Section 288 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12838) is amended by adding at the end the following:

''(e) CATEGORICAL EXEMPTIONS.—The following categories of activities carried out under this title shall be statutorily exempt from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and shall not require further review under such Act—

''(1) new construction infill housing projects;

''(2) acquisition of real property for affordable housing purposes;

''(3) rehabilitation projects carried out pursuant to section 212(a)(1); and

''(4) new construction projects of 15 units or less.

''(f) REMOVING DUPLICATIVE REVIEWS.—

''(1) IN GENERAL.—To the extent practicable and permitted by law, the Secretary shall ensure that a project that has undergone an environmental review under this section shall not be subject to a duplicative environmental review solely due to the addition, substitution, or reallocation of other sources of Federal assistance, if the scope, scale, and location of the project remain substantially unchanged.

''(2) COORDINATION OF ENVIRONMENTAL REVIEW RESPONSIBILITIES.—The Secretary shall, by regulation, provide for coordination of environmental review responsibilities with other Federal agencies to streamline interagency compliance and avoid unnecessary duplication of effort under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws.

''(3) RECOGNITION OF PRIOR REVIEWS BY RESPONSIBLE ENTITIES.—A project may not be subject to an environmental review under this section if a substantially similar review has already been completed by an entity designated under section 104(g)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(g)(1)) or by another entity the Secretary determines to have equivalent authority, if the scope, scale, and location of the project remain substantially unchanged.''.

(2) RULEMAKING.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall issue such rules as the Secretary determines necessary to carry out the amendment made by this subsection.

(3) APPLICABILITY.—Any activity generated under this subsection would be subject to an authorization of appropriations.

(l) APPLICATION OF BUILD AMERICA, BUY AMERICA REQUIREMENTS FOR HOME INVESTMENT PARTNERSHIPS PROGRAM.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Secretary of Housing and Urban Development shall complete a review of the implementation of the Build America, Buy America Act (title IV of division G of Public Law 117–58; 42 U.S.C. 8301 note) with respect to the activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.).

(2) UPDATED GUIDANCE.—Not later than 90 days after the review described in subsection (a) is completed, the Secretary shall issue updated guidance to clarify the application of the Build America, Buy America Act (title IV of division G of Public Law 117–58; 42 U.S.C. 8301 note) with respect to the activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.).

(3) REPORT.—Not later than 270 days after the date of the enactment of this section, the Secretary shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that describes—

(A) the results of the review required under subsection (a); and

(B) the guidance issued as described in subsection (b).

(m) APPLICATION OF OTHER SPECIFIED STATUTORY REQUIREMENTS.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended by adding at the end the following new section (and by conforming the table of sections in section 1(b), accordingly):

''SEC. 291. NONAPPLICABILITY OF CERTAIN REQUIREMENTS FOR SMALL PROJECTS.

''Notwithstanding any other provision of law, the requirements of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and any implementing regulations or guidance, shall not apply to an activity assisted under this title that involves rehabilitation, construction, or other development of housing if—

''(1) the recipient of assistance under this title is—

''(A) a State recipient pursuant to section 216; or

''(B) a participating jurisdiction that received a total allocation of less than $3,000,000 in the most recent fiscal year pursuant to section 216; and

''(2) the total number of dwelling units assisted as a part of such activity is 50 or fewer.''.

(n) TECHNICAL AMENDMENTS.—The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.) is amended—

(1) by striking ''Stewart B. McKinney Homeless Assistance Act'' each place it appears and inserting ''McKinney-Vento Homeless Assistance Act''; and

(2) by striking ''Committee on Banking, Finance and Urban Affairs'' each place it appears and inserting ''Committee on Financial Services''.

(o) REALLOCATION NOT AVAILABLE FOR CERTAIN JURISDICTIONS.—Section 217(d) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(d)) is amended—

(1) in paragraph (1), by striking the second sentence and inserting the following: ''Subject to paragraph (4), jurisdictions eligible for such reallocations shall include participating jurisdictions and jurisdictions meeting the requirements of this title, including the requirements in paragraphs (3), (4), and (5) of section 216.''; and

(2) by adding at the end the following:

''(4) REALLOCATION NOT AVAILABLE FOR CERTAIN JURISDICTIONS.—The Secretary may decline to make a reallocation available to a jurisdiction eligible for such reallocation if such jurisdiction has failed to meet or comply with any requirement under this title.''.

(p) AMENDMENTS TO QUALIFICATION AS AFFORDABLE HOUSING.—Section 215(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)) is amended—

(1) in paragraph (1)(E), by striking ''except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if such action (i) recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of low-income affordability in the case of foreclosure or transfer in lieu of foreclosure, and (ii) is not for the purpose of avoiding low income affordability restrictions, as determined by the Secretary; and'' and inserting the following: ''except—

''(i) upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if such action—

''(I) recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of low-income affordability in the case of foreclosure or transfer in lieu of foreclosure; and

''(II) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary; or

''(ii) where existing affordable housing is no longer financially viable due to unforeseen acts or occurrences beyond the reasonable contemplation or control of the participating jurisdiction in which the affordable housing is located or the owner of the affordable housing that significantly impact the financial or physical condition of the affordable housing, as determined by the Secretary; and''; and

(2) by adding at the end the following:

''(8) SMALL-SCALE HOUSING.—

''(A) IN GENERAL.—Small-scale housing shall qualify as affordable housing under this title if—

''(i) each dwelling unit in such housing bears rent in an amount that complies with the requirements described in paragraph (1)(A);

''(ii) each dwelling unit in such housing is occupied by a low-income family;

''(iii) no dwelling unit in such housing is refused for leasing to a holder of a voucher under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) because of the status of the prospective tenant as a holder of such voucher;

''(iv) such housing complies with the requirement described in paragraph (1)(E); and

''(v) the participating jurisdiction in which such small-scale housing is located monitors the compliance of such housing with the requirements of this title in a manner consistent with the purposes of section 226(b), as determined by the Secretary.

''(B) SMALL-SCALE HOUSING DEFINED.—In this paragraph, the term 'small-scale housing' means housing with not more than 4 dwelling units each of which is made available for rental.''.

(q) TENANT AND PARTICIPANT PROTECTIONS FOR SMALL-SCALE AFFORDABLE HOUSING.—Section 225 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12755) is amended by adding at the end the following:

''(e) EXCEPTION.—Paragraphs (2), (3), and (4) shall not apply to small-scale housing, as such term is defined in section 215(a)(7).''.

(r) REVISION OF DEFINITION OF COMMUNITY LAND TRUST.—Section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) is amended by adding at the end the following:

''(27) The term 'community land trust' means a nonprofit entity, a State, a unit of local government or instrumentality of a State or unit of local government that—

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

''(B) has as a primary purpose of acquiring, developing, or holding land to provide housing that is permanently affordable to low- and moderate-income persons;

''(C) monitors properties to ensure affordability is preserved;

''(D) provides housing that is permanently affordable to low- and moderate-income persons using a ground lease, deed covenant, or other similar legally enforceable measure, determined acceptable by the Secretary, that—

''(i) keeps housing affordable to low- and moderate-income persons for not less than 30 years; and

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

''(E) maintains preemptive purchase options to purchase the property if such purchase would allow the housing to remain affordable to low-and moderate-income persons.''.

(s) CONFORMING AMENDMENTS.—The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.) is amended—

(1) in section 233 by striking subsection (f); and

(2) in section 233(b)(6), by striking ''to community land trusts (as such term is defined in subsection (f))'' and inserting ''to community land trusts (as such term is defined in section 104)''.

(t) MINIMUM ALLOCATIONS.—Section 217(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747 (b)) is amended—

(1) in paragraph (2), by striking ''$500,000'' each place that term appears and inserting ''$750,000'';

(2) in paragraph (3)—

(A) by striking ''jurisdictions that are allocated an amount of $500,000 or more'' and inserting ''jurisdictions that are allocated an amount of $750,000 or more'';

(B) by striking ''that are allocated an amount less than $500,000'' and inserting ''that are allocated an amount less than $750,000''; and

(C) by striking '', except as provided in paragraph (4)''; and

(3) by striking paragraph (4).

(u) ADDITIONAL TECHNICAL CORRECTIONS.—The Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.) is amended—

(1) in section 108(a)(1), by striking ''section 105(b)(15)'' and inserting ''section 105(b)(18)''; and

(2) in section 217(b)(1)(F), by striking ''Subcommittee on Housing and Community Development'' and inserting ''Subcommittee on Housing, Transportation, and Community Development''.

SEC. 202. COMMUNITY DEVELOPMENT FUND AMENDMENTS.

(a) IDENTIFYING REGULATORY BARRIERS TO HOUSING SUPPLY.—Section 104 of the Housing and Community Development Act of 1974 (42 U.S.C. 5304) is amended by adding at the end the following:

''(n) PLAN TO TRACK AND REDUCE OVERLY BURDENSOME LAND USE POLICIES.—

''(1) IN GENERAL.—Beginning 1 year after the date of the enactment of this subsection, prior to receipt in any fiscal year of a grant from the Secretary under subsection (b), (d)(1), or (d)(2)(B) of section 106, each recipient shall have prepared and submitted, not less frequently than once during the preceding 5-year period, a description of—

''(A) whether the jurisdiction served by the recipient has adopted any of the types of land use policies described in paragraph (2) during the preceding 5-year period;

''(B) the plans the jurisdiction served by the recipient has to adopt and implement any of the types of land use policies described in paragraph (2); and

''(C) any ways in which the jurisdiction served by the recipient expects the planned adoption of any of the types of land use policies described in paragraph (2) would benefit the jurisdiction.

''(2) TYPES OF LAND USE POLICIES.—The types of policies to be considered for the purposes of the submission of information required under paragraph (1) include the following:

''(A) Expanding by-right multifamily zoned areas.

''(B) Allowing duplexes, triplexes, or fourplexes in areas zoned primarily for single-family residential homes.

''(C) Allowing manufactured homes in areas zoned primarily for single-family residential homes.

''(D) Allowing multifamily development in retail, office, and light manufacturing zones.

''(E) Allowing single-room occupancy development wherever multifamily housing is allowed.

''(F) Reducing minimum lot size.

''(G) Ensuring historic preservation requirements and other land use policies or requirements are coordinated to encourage creation of housing in historic buildings and historic districts.

''(H) Increasing the allowable floor area ratio by allowing a higher ratio of total floor area in a building in comparison to its lot size.

''(I) Creating transit-oriented development zones.

''(J) Streamlining or shortening permitting processes and timelines, including through one-stop and parallel-process permitting.

''(K) Eliminating or reducing off-street parking requirements.

''(L) Ensuring impact and utility investment fees accurately reflect required infrastructure needs and related impacts on housing affordability are otherwise mitigated.

''(M) Allowing off-site construction, including prefabricated construction.

''(N) Reducing or eliminating minimum unit square footage requirements.

''(O) Allowing the conversion of office units to apartments.

''(P) Allowing the subdivision of single-family homes into duplexes.

''(Q) Allowing accessory dwelling units, including detached accessory dwelling units, on all lots with single-family homes.

''(R) Establishing density bonuses.

''(S) Eliminating or relaxing residential property height limitations.

''(T) Using property tax abatements to enable higher density and mixed-income communities.

''(U) Donating vacant land for affordable housing development.

''(V) Enacting other relevant high-density, single-family, and multifamily zoning policies that the recipient chooses to report.

''(3) EFFECT OF SUBMISSION.—A submission under this subsection shall not be binding with respect to the use or distribution of amounts received under section 106.

''(4) ACCEPTANCE OR NONACCEPTANCE OF PLAN.—The acceptance or nonacceptance of any plan submitted under this subsection in which the information required under this subsection is provided may not be considered an endorsement or approval of the plan, policies, or methodologies, or lack thereof.

''(5) PROHIBITION ON USE OF INFORMATION FOR ENFORCEMENT.—Information provided by a recipient to the Secretary under this subsection may not be used as the basis for any enforcement action.''.

(b) ADDITION OF AFFORDABLE HOUSING CONSTRUCTION AS AN ELIGIBLE ACTIVITY.—

(1) ELIGIBLE ACTIVITY.—Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(A) in paragraph (25)(D), by striking ''and'' at the end;

(B) in paragraph (26), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(27) the new construction of affordable housing, within the meaning given such term under section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745), and which shall not exceed 20-percent of the amounts allocated to the recipient.''.

(2) LOW- AND MODERATE-INCOME REQUIREMENT.—Section 105(c)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(c)(3)) is amended by striking ''or rehabilitation'' and inserting '', rehabilitation, or new construction''.

(3) APPLICABILITY.—The amendments made by this subsection shall apply with respect only to amounts appropriated after the date of the enactment of this Act.

(c) DATABASES OF PUBLICLY OWNED LAND.—

(1) IN GENERAL.—Section 104(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(b)) is amended—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7) the grantee maintains, on a publicly accessible website, a searchable database that identifies all parcels of undeveloped land owned by the grantee.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 2026.

SEC. 203. GRANTS FOR PLANNING AND IMPLEMENTATION ASSOCIATED WITH AFFORDABLE HOUSING.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, not later than 1 year after the date of the enactment of this section, establish a pilot program to award grants on a competitive basis to eligible entities to assist planning and implementation activities associated with affordable housing, including—

(b) USE OF AMOUNTS.—

(1) BY REGIONAL PLANNING AGENCIES.—If an eligible entity that receives amounts under this section is a regional planning agency or consortia of regional planning agencies, such eligible entity shall use such amounts to assist planning activities with respect to affordable housing, including—

(A) the development of housing plans;

(B) the substantial improvement of State or local housing strategies;

(C) the development of new regulatory requirements and processes;

(D) updating zoning codes;

(E) increasing the capacity to conduct housing inspections;

(F) increasing the capacity to reduce barriers to housing supply elasticity and housing affordability;

(G) the development of local or regional plans for community development; and

(H) the substantial improvement of community development strategies, including strategies designed to—

(i) increase the availability of affordable housing and access to affordable housing;

(ii) increase access to public transportation; and

(iii) advance sustainable or location-efficient community development goals.

(2) BY STATES, INSULAR AREAS, METROPOLITAN CITIES, AND URBAN COUNTIES.—If an eligible entity that receives amounts under this section is a State, insular area, metropolitan city, or urban county, such eligible entity shall use such amounts to—

(A) implement and administer housing strategies and housing plans;

(B) implement and administer any plans to increase housing choice, address disparities in housing needs, and provide greater access to opportunity;

(C) fund any community investments that support goals identified in a housing strategy or housing plan;

(D) implement and administer regulatory requirements and processes with respect to reformed zoning codes;

(E) increase the capacity to conduct housing inspections;

(F) increase the capacity to reduce barriers to housing supply elasticity and housing affordability;

(G) implement and administer local or regional plans for community development; and

(H) fund any planning to increase—

(i) the availability of affordable housing and access to affordable housing;

(ii) access to public transportation; and

(iii) any location-efficient community development goals.

(3) USE FOR ADMINISTRATIVE COSTS.—A eligible entity that receives amounts under this section may not use more than 10-percent of such amounts for administrative costs.

(c) COORDINATION.—To the extent practicable, the Secretary shall coordinate with the Federal Transit Administrator in carrying out this section.

(d) ADDITIONAL USES OF AMOUNTS.—

(1) HOUSING CONSTRUCTION.—Expenditures on new construction of housing shall be an eligible expense under this section.

(2) BUILDINGS FOR GENERAL CONDUCT OF GOVERNMENT.—Expenditures on building for

the general conduct of government, other than the Federal Government, shall be eligible under this section when necessary and appropriate as a part of a natural hazard mitigation project.

(e) EXPIRATION OF AUTHORITY.—After the expiration of the 5-year period beginning on the date of the enactment of this section, the Secretary may not newly establish a pilot program as described in this section.

(f) SUNSET.—The pilot program established under this section shall terminate on the date that is 5 years after the date of the enactment of this section.

(g) DEFINITIONS.—In this subsection:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State, insular area, metropolitan city, or urban county, as such terms are defined in section 102 of the Housing and Community Development Act of 1974; or

(B) a regional planning agency or consortia of regional planning agencies.

(2) HOUSING PLAN.—The term ''housing plan'' means a plan to, with respect to an area within the jurisdiction of an eligible entity—

(A) increase the amount of available housing to meet the demand for such housing and any projected increase in the demand for such housing;

(B) increase the affordability of housing;

(C) increase the accessibility of housing for people with disabilities, including location-efficient housing;

(D) preserve or improve the quality of housing;

(E) reduce barriers to housing development; and

(F) coordinate with transportation-related agencies.

(3) HOUSING STRATEGY.—The term ''housing strategy'' means a housing strategy required under section 105 of the Cranston-Gonzalez National Affordable Housing Act.

SEC. 204. RURAL HOUSING SERVICE PROGRAM IMPROVEMENTS.

(a) IN GENERAL.—Section 504(a) of the Housing Act of 1949 (42 U.S.C. 1474(a)) is amended—

(1) in the first sentence, by inserting ''and may make a loan to an eligible low-income applicant'' after ''applicant''; and

(2) by striking ''$7,500'' and inserting ''$15,000''.

(b) ANNUAL REPORT ON RURAL HOUSING PROGRAMS.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.), as amended by this section, is amended by adding at the end the following:

''SEC. 545. ANNUAL REPORT.

''(a) IN GENERAL.—The Secretary shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate and publish on a website of the Department of Agriculture an annual report on the rural housing programs carried out under this title.

''(b) CONTENTS.—The report required under subsection (a) shall include significant details on the information about the health of the programs carried out by the Rural Housing Service, including—

''(1) raw data about loan performance that can be sorted by program and region;

''(2) a description of the housing stock of such programs;

''(3) information about why properties end participation in such programs, including maturation prepayment, foreclosure, or other servicing issues; and

''(4) risk ratings for properties assisted under such programs.

''(c) PROTECTION OF INFORMATION.—Data included in a report required under subsection (a) may be aggregated or anonymized to protect the financial information and personal information of program participants.''.

(c) APPLICATION REVIEW.—

(1) SENSE OF CONGRESS.—It is the sense of the Congress, not later than 90 days after the date on which the Secretary of Agriculture receives an application for a loan, grant or combined loan and grant under section 502 or 504 of the Housing Act of 1949 (42 U.S.C. 1472, 1474), the Secretary of Agriculture should—

(A) review the application;

(B) complete the underwriting;

(C) make a determination of eligibility with respect to the application; and

(D) notify the applicant of determination.

(2) REPORT.—

(A) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, and annually thereafter until the date described in subparagraph (B), the Secretary of Agriculture shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that—

(i) details the timeliness of eligibility determinations and final determinations with respect to applications under section 502 and 504 of the Housing Act of 1949 (42 U.S.C. 1472, 1474), including justifications for any eligibility determinations taking longer than 90 days; and

(ii) includes recommendations to shorten the timeline for notifications of eligibility determinations described in subparagraph (A) to not more than 90 days.

(B) DATE DESCRIBED.—The date described in this paragraph is the date on which, during the preceding 5-year period, the Secretary of Agriculture provides each eligibility determination described in subparagraph (A) during the 90-day period beginning on the date on which each application is received.

(d) GAO REPORT ON RURAL HOUSING SERVICE TECHNOLOGY.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Congress a report that includes—

(1) an analysis of how the outdated technology used by the Rural Housing Service impacts participants in the programs of the Rural Housing Service;

(2) an estimate of the amount of funding that is needed to modernize the technology used by the Rural Housing Service; and

(3) an estimate of the number and type of new employees the Rural Housing Service needs to modernize the technology used by the Rural Housing Service.

SEC. 205. CHOICE IN AFFORDABLE HOUSING.

(a) PREAPPROVAL OF UNITS.—Section 8(o)(8)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(8)(A)) is amended by adding at the end the following:

''(iv) INITIAL INSPECTION PRIOR TO LEASE AGREEMENT.—

''(I) DEFINITION.—In this clause, the term 'new landlord' means an owner of a dwelling unit who has not previously entered into a housing assistance payment contract with a public housing agency under this subsection for any dwelling unit.

''(II) EARLY INSPECTION.—Upon the request of a new landlord, a public housing agency may inspect the dwelling unit owned by the new landlord to determine whether the unit meets the housing quality standards under subparagraph (B) before the unit is selected by a family assisted under this subsection.

''(III) EFFECT.—An inspection conducted under subclause (II) that determines that the dwelling unit meets the housing quality standards under subparagraph (B) shall satisfy the requirements in this subparagraph and subparagraph (C) if the new landlord enters into a lease agreement with a family assisted under this subsection not later than 60 days after the date of the inspection.

''(IV) INFORMATION WHEN FAMILY IS SELECTED.—When a public housing agency selects a family to participate in the tenant-based assistance program under this subsection, the public housing agency shall include in the information provided to the family a list of dwelling units that have been inspected under subclause (II) and determined to meet the housing quality standards under subparagraph (B).''.

(b) SATISFACTION OF INSPECTION REQUIREMENTS THROUGH PARTICIPATION IN OTHER HOUSING PROGRAMS.—Section 8(o)(8) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(8)) is amended by adding at the end the following:

''(I) SATISFACTION OF INSPECTION REQUIREMENTS THROUGH PARTICIPATION IN OTHER HOUSING PROGRAMS.—

''(i) LOW-INCOME HOUSING TAX CREDIT-FINANCED BUILDINGS.—A dwelling unit shall be deemed to meet the inspection requirements under this paragraph if—

''(I) the dwelling unit is in a building, the acquisition, rehabilitation, or construction of which was financed by a person who received a low-income housing tax credit under section 42 of the Internal Revenue Code of 1986 in exchange for that financing;

''(II) the dwelling unit was physically inspected and passed inspection as part of the low-income housing tax credit program described in subclause (I) during the preceding 12-month period; and

''(III) the applicable public housing agency is able to obtain the results of the inspection described in subclause (II).

''(ii) HOME INVESTMENT PARTNERSHIPS PROGRAM.—A dwelling shall be deemed to meet the inspection requirements under this paragraph if—

''(I) the dwelling unit is assisted under the HOME Investment Partnerships Program under title II of the Cranston-Gonzalez National Affordable Housing Act;

''(II) the dwelling unit was physically inspected and passed inspection as part of the program described in subclause (I) during the preceding 12-month period; and

''(III) the applicable public housing agency is able to obtain the results of the inspection described in subclause (II).

''(iii) RURAL HOUSING SERVICE.—A dwelling unit shall be deemed to meet the inspection requirements under this paragraph if—

''(I) the dwelling unit is assisted by the Rural Housing Service of the Department of Agriculture;

''(II) the dwelling unit was physically inspected and passed inspection in connection with the assistance described in subclause (I) during the preceding 12-month period; and

''(III) the applicable public housing agency is able to obtain the results of the inspection described in subclause (II).

''(iv) REMOTE OR VIDEO INSPECTIONS.—When complying with inspection requirements for a housing unit located in a rural or small area using assistance under this subtitle, the Secretary may allow a grantee to conduct a remote or video inspection of a unit provided that the remote or video inspection—

''(I) covers a substantially similar review of the relevant aspects of the unit compared to an in-person inspection;

''(II) does not misrepresent the condition of the unit; and

''(III) provides the information necessary to fully and accurately evaluate the conditions of the unit to ensure that the unit meets the applicable standards.

''(v) RULE OF CONSTRUCTION.—Nothing in clause (i), (ii), (iii), or (iv) may be construed to affect the operation of a housing program described in, or authorized under a provision of law described in, that clause.''.

TITLE III—EXPANDING MANUFACTURED AND AFFORDABLE HOUSING FINANCE OPPORTUNITIES

SEC. 301. MANUFACTURED HOUSING INNOVATIONS.

(a) IN GENERAL.—Section 603(6) of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402(6)) is amended by striking ''on a permanent chassis'' and inserting ''with or without a permanent chassis''.

(b) STANDARDS FOR MANUFACTURED HOMES BUILT WITHOUT A PERMANENT CHASSIS.—Section 604(a) of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5403) is amended by adding at the end the following:

''(7) STANDARDS FOR MANUFACTURED HOMES BUILT WITHOUT A PERMANENT CHASSIS.—

''(A) IN GENERAL.—The Secretary shall issue revised standards for manufactured homes built without a permanent chassis and shall consult with the consensus committee in the development of such revised standards, using the process described in paragraph (4).

''(B) CREATING FINAL STANDARDS.—The Secretary shall, after consulting and conferring with the consensus committee, establish standards to ensure manufactured homes without a permanent chassis have—

''(i) a distinct label to be issued by the Secretary distinguishing manufactured homes built without a permanent chassis from manufactured homes built on a permanent chassis;

''(ii) a data plate, as described in section 3280.5 of title 24, Code of Federal Regulations, distinguishing manufactured homes built without a permanent chassis from manufactured homes built on a permanent chassis; and

''(iii) a notation on any invoice produced by the manufacturer of a manufactured home that is distinguishable from the invoice for a manufactured home constructed with a permanent chassis.''.

(c) MANUFACTURED HOME STANDARDS AND CERTIFICATIONS.—Section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5403) is amended by adding at the end the following:

''(i) MANUFACTURED HOME STANDARDS AND CERTIFICATIONS.—

''(1) IN GENERAL.—

''(A) INITIAL CERTIFICATION.—Subject to subparagraph (B), not later than 1 year after the date of enactment of this subsection, a State shall submit to the Secretary an initial certification that the laws and regulations of the State—

''(i) treat a manufactured home without a chassis in parity with a manufactured home (as defined and regulated by the State); and

''(ii) subject a manufactured home without a permanent chassis to the same laws and regulations of the State as a manufactured home built on a permanent chassis with respect to financing, title, insurance, manufacture, sale, taxes, transportation, installation, and other areas as the Secretary determines, after consultation with and approval by the consensus committee, are necessary to give effect to the purpose of this section.

''(B) STATE PLAN SUBMISSION.—Any State plan submitted under section 623(c) of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5422(c)) shall contain the required State certification under subparagraph (A) or paragraph (3) and, if contained therein, no additional or State certification under subparagraph (A) or paragraph (3).

''(C) EXTENDED DEADLINE.—With respect to a State with a legislature that meets biennially, the deadline for the submission of the initial certification required under subparagraph (A) shall be 2 years after the date of enactment of this subsection.

''(D) LATE CERTIFICATION.—

''(i) NO WAIVER.—The Secretary may not waive the prohibition described in paragraph (5)(B) with respect to a certification submitted after the deadline under subparagraph (A) or paragraph (3) unless the Secretary approves the late certification.

''(ii) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prevent a State from submitting the initial certification required under subparagraph (A) after the required deadline under that subparagraph.

''(2) FORM OF STATE CERTIFICATION NOT PRESENTED IN A STATE PLAN.—The initial certification required under paragraph (1)(A), if not submitted with a State plan under paragraph (1)(B), shall contain, in a form prescribed by the Secretary, an attestation by an official that the State has taken the steps necessary to ensure the veracity of the certification required under paragraph (1)(A), including, as necessary, by—

''(A) amending the definition of 'manufactured home' in the laws and regulations of the State; and

''(B) directing State agencies to amend the definition of 'manufactured home' in regulations.

''(3) ANNUAL RECERTIFICATION.—Not later than a date to be determined by the Secretary each year, a State shall submit to the Secretary an additional certification that—

''(A) confirms the accuracy of the initial certification submitted under subparagraph (A) or (B) of paragraph (1); and

''(B) certifies that any new laws or regulations enacted or adopted by the State since the date of the previous certification do not change the veracity of the initial certification submitted under paragraph (1)(A).

''(4) LIST.—The Secretary shall publish and maintain in the Federal Register and on the website of the Department of Housing and Urban Development a list of States that are up-to-date with the submission of initial and subsequent certifications required under this subsection.

''(5) PROHIBITION.—

''(A) DEFINITION.—In this paragraph, the term 'covered manufactured home' means a home that is—

''(i) not considered a manufactured home under the laws and regulations of a State because the home is constructed without a permanent chassis;

''(ii) considered a manufactured home under the definition of the term in section 603; and

''(iii) constructed after the date of enactment of this subsection.

''(B) BUILDING, INSTALLATION, AND SALE.—If a State does not submit a certification under paragraph (1)(A) or paragraph (3) by the date on which those certifications are required to be submitted—

''(i) with respect to a State in which the State administers the installation of manufactured homes, the State shall prohibit the manufacture, installation, or sale of a covered manufactured home within the State; and

''(ii) with respect to a State in which the Secretary administers the installation of manufactured homes, the State and the Secretary shall prohibit the manufacture, installation, or sale of a covered manufactured home within the State.''.

(d) OTHER FEDERAL LAWS REGULATING MANUFACTURED HOMES.—The Secretary of Housing and Urban Development may coordinate with the heads of other Federal agencies to ensure that Federal agencies treat a manufactured home (that is defined in Federal laws and regulations other than section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402)) in the same manner as a manufactured home (that is defined in section 603 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402)), as amended by this Act.

(e) ASSISTANCE TO STATES.—Section 609 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5408) is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(3) model guidance to support the submission of the certification required under section 604(i).''.

(f) PREEMPTION.—Nothing in this section or the amendments made by this section may be construed as limiting the scope of Federal preemption under section 604(d) of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5403(d)).

(g) PRIMARY AUTHORITY TO ESTABLISH MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS.—The National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5401 et seq.) is further amended—

(1) in section 603(7), by inserting ''energy efficiency,'' after ''design,''; and

(2) in section 604, by adding at the end the following:

''(j) PRIMARY AUTHORITY TO ESTABLISH STANDARDS.—

''(1) IN GENERAL.—The Secretary shall have the primary authority to establish Federal manufactured home construction and safety standards.

''(2) APPROVAL FROM SECRETARY.—

''(A) IN GENERAL.—The head of any Federal agency that seeks to establish a manufactured home construction and safety standard on or after the date of the enactment of this subsection—

''(i) shall submit to the Secretary a proposal describing such standard; and

''(ii) may not establish such standard without approval from the Secretary.

''(B) REJECTION OF STANDARDS.—The Secretary shall reject a standard submitted to the Secretary for approval under subparagraph (A)—

''(i) if the standard would significantly increase the cost of producing manufactured homes, as determined by the Secretary;

''(ii) if the standard would conflict with existing manufactured home construction and safety standards established by the Secretary; or

''(iii) for any other reason as determined appropriate by the Secretary.

''(C) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to require the Secretary to establish new or revised Federal manufactured home construction and safety standards.''.

SEC. 302. FHA SMALL-DOLLAR MORTGAGES.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this section, the Secretary of Housing and Urban Development, acting through the Federal Housing Commissioner, may establish a pilot program to increase access to small-dollar mortgages for mortgagors which may include—

(1) authorizing direct payments to mortgagees to incentivize the origination of small-dollar mortgages;

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

(3) providing direct grants for mortgagors who obtain small-dollar mortgages to cover costs associated with—

(A) down payments;

(B) closing costs;

(C) appraisals; and

(D) title insurance;

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

(5) providing technical assistance for mortgagees that originate small-dollar mortgages.

(b) REPORT.—Beginning not later than 1 year after the establishment of the pilot program under subsection (a) and ending 1 year after the sunset of the pilot program, the Federal Housing Commissioner shall submit to the Congress an annual report that—

(1) tracks and evaluates the outcomes of small-dollar mortgages originated by mortgagees as a result of support provided under subsection (a);

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

(3) includes data with respect to—

(A) the number of small-dollar mortgages originated in the 10-year period preceding the date of the enactment of this section, including small-dollar mortgages insured or guaranteed by the Federal Government and small-dollar mortgages not insured by the Federal Government;

(B) the original principal balance of each small-dollar mortgage identified under subparagraph (A);

(C) demographic information about the mortgagors associated with each such small-dollar mortgages; and

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

(4) provides a description of the fixed costs that are associated with mortgages and the impact of such costs on the ability of lenders to earn a market rate return on small-dollar mortgages; and

(5) includes analysis, by regions of the United States, including rural regions, that identifies regions with the greatest need for, and the highest likelihood of, the origination of small-dollar mortgages and regions that could benefit the most from increased availability of small-dollar mortgages.

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

(d) EXPIRATION OF AUTHORITY.—After the expiration of the 3-year period beginning on the date of enactment of this section, neither the Federal Housing Commissioner nor the Secretary of Housing and Urban Development may newly establish a pilot program to increase access to small-dollar mortgages for mortgagors.

(e) SMALL-DOLLAR MORTGAGE DEFINED.—The term ''small-dollar mortgage'' means a mortgage that—

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

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

SEC. 303. COMMUNITY INVESTMENT AND PROSPERITY.

(a) REVISED STATUTES.—The paragraph designated as the ''Eleventh'' of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended, in the fifth sentence, by striking ''15'' each place it appears and inserting ''20''.

(b) FEDERAL RESERVE ACT.—Section 9(23) of the Federal Reserve Act (12 U.S.C. 338a) is amended, in the fifth sentence, by striking ''15'' each place it appears and inserting ''20''.

(c) STUDY.—Not later than 2 years after the date of the enactment of this section, and every 2 years thereafter, the Comptroller of the Currency and the Board of Governors of the Federal Reserve System shall each submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report, after consulting with the other agency in the development of such report, about public welfare investments that were made by associations under section 5136 of the Revised Statutes of the United States and State member banks under section 9(23) of the Federal Reserve Act in the 2 previous calendar years, that—

(1) identifies the number of such investments, broken down by—

(A) purpose;

(B) type;

(C) amount of assets of the association or State member bank that made the investment, using not less than 4 categories to describe the amount of assets of the associations and banks; and

(D) State, or other location;

(2) identifies the dollar amounts of such investments, broken down by—

(A) purpose;

(B) type;

(C) amount of assets of the association or State member bank that made the investment, using not less than 4 categories to describe the amount of assets of the associations and banks; and

(D) State or other location; and

(3) for each type of public welfare investment identified under paragraphs (1) and (2), a description of the substantive and procedural requirements that apply to each type of investment made under—

(A) in the case of a report by the Comptroller of the Currency, section 5136 of the Revised Statutes of the United States; or

(B) in the case of a report by the Board of Governors, section 9(23) of the Federal Reserve Act.

TITLE IV—PROTECTING BORROWERS AND ASSISTED FAMILIES

SEC. 401. EXCLUSION OF CERTAIN DISABILITY BENEFITS.

(a) IN GENERAL.—Section 3(b)(4)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(4)(B)) is amended—

(1) by redesignating clauses (iv) and (v) as clauses (vi) and (vii), respectively; and

(2) by inserting after clause (iii) the following:

''(iv) with respect to the supported housing program under section 8(o)(19), any disability benefits received under chapter 11 or chapter 15 of title 38, United States Code, received by a veteran, except that this exclusion may not apply to the definition of adjusted income;

''(v) with respect to any household receiving rental assistance under the supported housing program under section 8(o)(19) as it relates to eligibility for other types of housing assistance, any disability benefits received under chapter 11 or chapter 15 of title 38, United States Code, received by a veteran, except that this exclusion may not apply to the definition of adjusted income;''.

(b) TREATMENT OF CERTAIN DISABILITY BENEFITS.—When determining the eligibility of a veteran to rent a residential dwelling unit constructed on Department property on or after the date of the enactment of this Act, for which assistance is provided as part of a housing assistance program administered by the Secretary of Housing and Urban Development and not yet in existence at the time of the enactment of this section, the Secretary shall exclude from income any disability benefits received under chapter 11 or chapter 15 of title 38, United States Code, by such person.

(c) DEPARTMENT PROPERTY DEFINED.—In this section, the term ''Department property'' has the meaning given the term in section 901 of title 38, United States Code.

SEC. 402. MILITARY SERVICE QUESTION.

(a) IN GENERAL.—Subpart A of part 2 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4541 et seq.) is amended by adding at the end the following:

''SEC. 1329. UNIFORM RESIDENTIAL LOAN APPLICATION.

''Not later than 6 months after the date of enactment of this section, the Director shall, by regulation or order, require each enterprise to include a disclosure below the military service question which shall be above the signature line on the form known as the Uniform Residential Loan Application stating, 'If yes, you may qualify for a VA Home Loan. Consult your lender regarding eligibility.'.''.

(b) GAO STUDY.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit to the Congress a report on whether or not less than 80-percent of lenders using the Uniform Residential Loan Application have included on that form the disclaimer required under section 1329 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as added by subsection (a).

SEC. 403. HUD–USDA–VA INTERAGENCY COORDINATION.

(a) MEMORANDUM OF UNDERSTANDING.—Not later than 180 days after the date of enactment of this Act, the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Secretary of Veterans Affairs shall establish a memorandum of understanding, or other appropriate interagency agreement, to share relevant housing-related research and market data that facilitates evidence-based policymaking.

(b) INTERAGENCY REPORT.—

(1) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Secretary of Veterans Affairs shall jointly submit to the Committee on Banking, Housing, and Urban Affairs, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Veterans' Affairs of the Senate and the Committee on Financial Services, the Committee on Agriculture, and the Committee on Veterans' Affairs of the House of Representatives a report that describes opportunities for increased collaboration between the Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Secretary of Veterans Affairs to improve efficiencies in housing programs.

(2) PUBLICATION.—The report required under paragraph (1) shall, prior to submission, be published in the Federal Register and open for comment for a period of 30 days.

SEC. 404. FAMILY SELF-SUFFICIENCY ESCROW EXPANSION PILOT PROGRAM.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following:

''SEC. 39. ESCROW EXPANSION PILOT PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) COVERED FAMILY.—The term 'covered family' means a family that—

''(A) receives assistance under section 8 or 9 of this Act;

''(B) is enrolled in the pilot program; and

''(C) has an adjusted income that does not exceed 80-percent of the area-median income at the time of enrollment in the pilot program.

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity described in subsection (c)(2) of section 23.

''(3) PILOT PROGRAM.—The term 'pilot program' means the pilot program established under this section.

''(4) WELFARE ASSISTANCE.—The term 'welfare assistance' has the meaning given the term in section 984.103 of title 24, Code of Federal Regulations, or any successor regulation.

''(b) PROGRAM ESTABLISHMENT.—The Secretary shall, not later than 1 year after the date of the enactment of this section, establish a pilot program under which the Secretary shall select not more than 25 eligible entities to establish and manage escrow accounts for not more than a total of 5,000 covered families, in accordance with this section.

''(c) ESCROW ACCOUNTS.—

''(1) IN GENERAL.—An eligible entity selected to participate in the pilot program—

''(A) shall establish an interest-bearing escrow account and place into the account an amount equal to any increase in the amount of rent paid by each covered family in accordance with the provisions of section 3, 8(o), or 8(y), as applicable, that is attributable to increases in earned income by the covered family during the participation of such covered family in the pilot program; and

''(B) notwithstanding any other provision of law, may use existing funds made available to such entity at any time under section 8 or 9 for the purposes of making the escrow deposit for a covered family assisted under, or residing in a unit assisted under, section 8 or 9 provided that such amounts are offset by the increase in the amount of rent paid by the covered family.

''(2) WITHDRAWALS.—A covered family may withdraw funds, including any interest earned, from an escrow account established by an eligible entity under the pilot program for such covered family—

''(A) after the covered family ceases to receive welfare assistance; and

''(B)(i) not earlier than the date that is 5 years after the date on which the eligible entity establishes the escrow account under this subsection;

''(ii) not later than the date that is 7 years after the date on which the eligible entity establishes the escrow account under this subsection, if the covered family chooses to continue to participate in the pilot program after the date that is 5 years after the date on which the eligible entity establishes the escrow account;

''(iii) on the date the covered family ceases to receive housing assistance under section 8 or 9, if such date is earlier than 5 years after the date on which the eligible entity establishes the escrow account;

''(iv) earlier than 5 years after the date on which the eligible entity establishes the escrow account, if the covered family is using the funds to advance a self-sufficiency goal as approved by the eligible entity; or

''(v) under other circumstances for good cause as determined by the Secretary.

''(3) INTERIM RECERTIFICATION.—For the purposes of the pilot program established under this section, a covered family shall recertify the income of such family not less than once each year.

''(4) CONTRACT OR PLAN.—An eligible entity may not require a covered family to—

''(A) complete a contract that requires the participation of the covered family in the pilot program established under this section; or

''(B) participate in any individual training or services plan as a condition for participating in the pilot program.

''(d) EFFECT OF INCREASES IN FAMILY INCOME.—The amount equal to any increase in the earned income of a covered family from the date of enrollment of the covered family in the pilot program established under this section through the date all funds are withdrawn from the escrow account established for such family under this section may not be considered as income or a resource for purposes of eligibility of the covered family for other benefits, or amount of benefits payable to the family, under any program administered by the Secretary.

''(e) APPLICATION.—

''(1) IN GENERAL.—An eligible entity seeking to participate in the pilot program shall submit to the Secretary an application—

''(A) at such time, in such manner, and containing such information as the Secretary may require by notice; and

''(B) that includes the number of covered families to which the eligible entity intends to provide escrow accounts under this section.

''(2) GEOGRAPHIC AND ENTITY VARIETY.—The Secretary shall ensure that eligible entities selected to participate in the pilot program—

''(A) are located across various States and in both urban and rural areas; and

''(B) vary by size and type, including both public housing agencies and private owners of projects receiving project-based rental assistance under section 8.

''(f) NOTIFICATION AND OPT-OUT.—An eligible entity participating in the pilot program shall—

''(1) notify each covered family of their enrollment in the pilot program;

''(2) provide each covered family with a detailed description of the pilot program, including how the pilot program will impact their rent and finances;

''(3) inform each covered family that the family may not simultaneously participate in the pilot program and the Family Self-Sufficiency program under this section; and

''(4) provide each covered family with the ability to elect not to participate in the pilot program—

''(A) not less than 2 weeks before the date on which the escrow account is established under subsection (c); and

''(B) at any point during the duration of the pilot program.

''(g) MAXIMUM RENTS.—During the term of participation by a covered family in the pilot program, the amount of rent paid by the covered family shall be calculated under the section 3 or 8(o), as applicable.

''(h) PILOT PROGRAM TIMELINE.—

''(1) AWARDS.—Not later than 18 months after the date of enactment of this section, the Secretary shall select the eligible entities to participate in the pilot program.

''(2) ESTABLISHMENT AND TERMS OF ACCOUNTS.—An eligible entity selected to participate in the pilot program shall—

''(A) not later than 6 months after selection, establish escrow accounts under subsection (c) for covered families; and

''(B) maintain those escrow accounts for not less than 5 years, or until the date the family ceases to receive assistance under section 8 or 9, and, at the discretion of the covered family, not more than 7 years after the date on which the escrow account is established.

''(i) NONPARTICIPATION AND HOUSING ASSISTANCE.—

''(1) IN GENERAL.—A family that elects not to participate in the pilot program may not be delayed or denied assistance under section 8 or 9 for reason of such election.

''(2) NO TERMINATION.—Housing assistance may not be terminated as a consequence of participating, or not participating, in the pilot program under this section for any period of time.

''(j) STUDY.—Not later than 8 years after the date the Secretary selects eligible entities to participate in the pilot program under this section, the Secretary shall conduct a study and submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on outcomes for covered families that participated in the pilot program, which shall evaluate the effectiveness of the pilot program in assisting families to achieve economic independence and self-sufficiency, and the impact coaching and supportive services, or the lack thereof, had on individual incomes.

''(k) WAIVERS.—The Secretary may, upon the written request of an eligible entity receiving amounts under this section, waive requirements under this section that relate to the administration of the pilot program for the eligible entity that submitted the request if such waiver would allow such eligible entity to effectively administer the pilot program and make the required escrow account deposits under this section.

''(l) TERMINATION.—The pilot program established under this section shall terminate on the date that is 7 years after the date of enactment of this section.''.

SEC. 405. REFORMS TO HOUSING COUNSELING AND FINANCIAL LITERACY PROGRAMS.

(a) IN GENERAL.—Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) is amended—

(1) in subsection (a)(4)(C), by striking ''adequate distribution'' and all that follows through ''foreclosure rates'' and inserting ''that the recipients are geographically diverse and include organizations that serve urban or rural areas'';

(2) in subsection (e), by adding at the end the following:

''(6) PERFORMANCE REVIEW.—The Secretary—

''(A) may conduct periodic reviews; and

''(B) shall conduct performance reviews of all organizations receiving assistance under this section that—

''(i) consist of a review of the organization's or entity's compliance with all program requirements; and

''(ii) may take into account the organization's or entity's aggregate counselor performance under paragraph (7)(B).

''(7) CONSIDERATIONS.—

''(A) COVERED MORTGAGE LOAN DEFINED.—In this paragraph, the term 'covered mortgage loan' means any loan which is secured by a first or subordinate lien on residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of between 1 and 4 families that is—

''(i) insured by the Federal Housing Administration under title II of the National Housing Act (12 U.S.C. 1707 et seq.); or

''(ii) guaranteed under section 184 or 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a, 1715z–13b).

''(B) COMPARISON.—For each counselor employed by an organization receiving assistance under this section for pre-purchase housing counseling, the Secretary may consider the performance of the counselor compared to the default rate of all counseled borrowers of a covered mortgage loan in comparable markets and such other factors as the Secretary determines appropriate to further the purposes of this section.

''(8) CERTIFICATION.—If, based on the comparison required under paragraph (7)(B), the Secretary determines that a counselor lacks competence to provide counseling in the areas described in subsection (e)(2) and such action will not create a significant loss of capacity for housing counseling services in the service area, the Secretary may—

''(A) require continued education coupled with successful completion of a probationary period;

''(B) require retesting if the counselor continues to demonstrate a lack of competence under paragraph (7)(B); and

''(C) suspend an individual certification if a counselor fails to demonstrate competence after not fewer than 2 retesting opportunities under subparagraph (B).'';

(3) in subsection (i)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

''(3) TERMINATION OF ASSISTANCE.—

''(A) IN GENERAL.—The Secretary may deny renewal of covered assistance to an organization or entity receiving covered assistance if the Secretary determines that the organization or entity, or the individual through which the organization or entity provides counseling, is not in compliance with program requirements—

''(i) based on the performance review described in subsection (e)(6); and

''(ii) in accordance with existing regulations issued by the Secretary.

''(B) NOTICE.—The Secretary shall give an organization or entity receiving covered assistance not less than 60 days prior written notice of any denial of renewal under this paragraph, and the determination of renewal shall not be finalized until the end of that notice period.

''(C) INFORMAL CONFERENCE.—If requested in writing by the organization or entity within the notice period described in subparagraph (B), the organization or entity shall be entitled to an informal conference with the Deputy Assistant Secretary of Housing Counseling on behalf of the Secretary at which the organization or entity may present for consideration specific factors that the organization or entity believes were beyond the control of the organization or entity and that caused the failure to comply with program requirements, such as a lack of lender or servicer coordination or communication with housing counseling agencies and individual counselors.''; and

(4) by adding at the end the following:

''(j) OFFERING FORECLOSURE MITIGATION COUNSELING.—

''(1) COVERED MORTGAGE LOAN DEFINED.—In this subsection, the term 'covered mortgage loan' means any loan which is secured by a first or subordinate lien on residential real property (including individual units of condominiums and housing cooperatives) or stock or membership in a cooperative ownership housing corporation designed principally for the occupancy of between 1 and 4 families that is—

''(A) insured by the Federal Housing Administration under title II of the National Housing Act (12 U.S.C. 1707 et seq.);

''(B) guaranteed under section 184 or 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a, 1715z–13b);

''(C) made, guaranteed, or insured by the Department of Veterans Affairs; or

''(D) made, guaranteed, or insured by the Department of Agriculture.

''(2) OPPORTUNITY FOR BORROWERS.—A borrower with respect to a covered mortgage loan who is 30 days or more delinquent on payments for the covered mortgage loan shall be given an opportunity to participate in available housing counseling.

''(3) COST.—If the requirements of sections 202(a)(3) and 205(f) of the National Housing Act (12 U.S.C. 1708(a)(3), 1711(f)) are met, the fair market rate cost of counseling for delinquent borrowers described in paragraph (2) with respect to a covered mortgage loan described in paragraph (1)(A) shall be paid for by the Mutual Mortgage Insurance Fund, as authorized under section 203(r)(4) of the National Housing Act (12 U.S.C. 1709(r)(4)).''.

SEC. 406. ESTABLISHMENT OF EVICTION HELPLINE.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, not later than 1 year after the date of the enactment of this Act, establish a program—

(1) to establish a hotline to provide tenants of covered federally assisted rental dwelling units with counseling, resources, and referrals to available assistance relating to eviction-related matters; and

(2) to provide information about such hotline to tenants of covered federally assisted rental dwelling units by publishing information about such hotline in common areas of each federally assisted rental dwellings and through other means determined appropriate by the Secretary.

(b) SUNSET.—The program established under this section shall terminate on the date that is 7 years after the date of the enactment of this section.

(c) DEFINITIONS.—In this section:

(1) ASSISTANCE.—The term ''assistance'' means any grant, loan, subsidy, contract, cooperative agreement, or other form of financial assistance, but such term does not include the insurance or guarantee of a loan, mortgage, or pool of loans or mortgages.

(2) COVERED FEDERALLY ASSISTED RENTAL DWELLING UNIT.—The term ''covered federally assisted rental dwelling unit'' means a residential dwelling unit—

(A) that is made available for rental; and

(B)(i) for which assistance is provided, or that is part of a housing project for which assistance is provided, under any program administered by the Secretary of Housing and Urban Development, including—

(I) the public housing program under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.);

(II) the program for rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

(III) the HOME Investment Partnerships program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.);

(IV) title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360 et seq.);

(V) the Housing Trust Fund program under section 1338 of the Housing and Community Development Act of 1992 (12 U.S.C. 4568);

(VI) the program for supportive housing for the elderly under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q);

(VII) the program for supportive housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013);

(VIII) the AIDS Housing Opportunities program under subtitle D of title VIII of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12901 et seq.);

(IX) the program for Native American housing under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.); and

(X) the program for housing assistance for Native Hawaiians under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4221 et seq.); or

(ii) that is a property, or is on or in a property, that has a federally backed mortgage loan or federally backed multifamily mortgage loan, as such terms are defined in section 4024(a) of the CARES Act (15 U.S.C. 9058(a)).

SEC. 407. TEMPERATURE SENSOR PILOT PROGRAM.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall establish a temperature sensor pilot program to provide grants to public housing agencies and owners of covered federally assisted rental dwelling units to acquire, install, and test the efficacy of approved temperature sensors in residential dwelling units to ensure such units remain in compliance with temperature requirements.

(b) ELIGIBILITY.—

(1) IN GENERAL.—The Secretary shall, not later than 180 days after the date of the enactment of this Act, establish eligibility criteria for public housing agencies and owners of covered federally assisted rental dwelling units to participate in the pilot program established pursuant to subsection (a).

(2) CRITERIA.—In establishing the eligibility criteria described in paragraph (1), the Secretary shall ensure—

(A) the pilot program includes a diverse range of participants that represent different geographic regions, climate regions, unit sizes, and types of housing; and

(B) that the functionality of an approved temperature sensor will be installed and tested using amounts awarded under this section, including internet connectivity requirements.

(c) INSTALLATION.—Each public housing agency or owner of a covered federally assisted rental dwelling unit that acquires 1 or more approved temperature sensors under this section shall, after receiving written permission from the resident of a dwelling unit, install such temperature sensor and monitor the data from such temperature sensor.

(d) COLLECTION OF COMPLAINT RECORDS.—

(1) IN GENERAL.—Each public housing agency or owner of a covered federally assisted rental dwelling unit that installs 1 or more approved temperature sensors under this section shall collect and retain information about temperature-related complaints and violations.

(2) DEFINITIONS.—The Secretary shall, not later than 180 days after the date of the enactment of this Act, define the terms ''temperature-related complaints'' and ''temperature-related violations'' for the purposes of this section.

(e) DATA COLLECTION.—

(1) IN GENERAL.—Data collected from temperature sensors acquired and installed by public housing agencies and owners of covered federally assisted rental dwelling units under this section shall be retained until the Secretary notifies the public housing agency or owner that the pilot program and the evaluation of the pilot program are complete.

(2) PERSONALLY IDENTIFIABLE INFORMATION.—The Secretary shall, not later than 180 days after the date of the enactment of this Act, establish standards for the protection of personally identifiably information collected during the pilot program by public housing agencies, owners of federally assisted rental dwelling units, and the Secretary.

(f) PILOT PROGRAM EVALUATION.—

(1) INTERIM EVALUATION.—Not later than 12 months after the establishment of the pilot program under this section, the Secretary shall publicly publish and submit to the Congress a report that—

(A) examines the number of temperature-related complaints and violations in federally assisted rental dwelling units with temperature sensors, disaggregated by temperature sensor technology and climate region—

(i) that occurred before the installation of such sensor, if known; and

(ii) that occurred after the installation of such sensor; and

(B) identifies any barriers to full utility of temperature sensor capabilities, including broadband internet access and tenant participation.

(2) FINAL EVALUATION.—Not later than 36 months after the conclusion of the pilot program established by the Secretary under this

section, the Secretary shall publicly publish and submit to the Congress a report that—

(A) examines the number of temperature-related complaints and violations in federally assisted rental dwelling units with temperature sensors, disaggregated by temperature sensor technology and climate region—

(i) that occurred before the installation of such sensor; and

(ii) that occurred after the installation of such sensor;

(B) identifies any barriers to full utility of temperature sensor capabilities, including broadband internet access and tenant participation; and

(C) compares the utility of various temperature sensor technologies based on—

(i) climate zones;

(ii) cost;

(iii) features; and

(iv) any other factors identified by the Secretary.

(g) SUNSET.—The pilot program established under this section shall terminate on the date that is 3 years after the date of the enactment of this section.

(h) DEFINITIONS.—For the purposes of this section:

(1) APPROVED TEMPERATURE SENSOR.—The term ''approved temperature sensor'' means an internet capable temperature reporting device able to measure ambient air temperature to the tenth degree Fahrenheit and Celsius selected from a list of such devices approved in advance by the Secretary.

(2) ASSISTANCE.—The term ''assistance'' means any grant, loan, subsidy, contract, cooperative agreement, or other form of financial assistance, but such term does not include the insurance or guarantee of a loan, mortgage, or pool of loans or mortgages.

(3) COVERED FEDERALLY ASSISTED RENTAL DWELLING UNIT.—The term ''covered federally assisted rental dwelling unit'' means a residential dwelling unit that is made available for rental and for which assistance is provided, or that is part of a housing project for which assistance is provided, under—

(A) the program for project-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

(B) the public housing program under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.);

(C) the program for supportive housing for the elderly under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q); or

(D) the program for supportive housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013).

(4) OWNER.—The term ''owner'' means—

(A) with respect to the program for project-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), any private person or entity, including a cooperative, an agency of the Federal Government, or a public housing agency, having the legal right to lease or sublease dwelling units;

(B) with respect to the public housing program under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), a public housing agency or an owner entity of public housing units as defined in section 905.108 of title 24, Code of Federal Regulations;

(C) with respect to the program for supportive housing for the elderly under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), a private nonprofit organization as defined under section 202(k)(4) of the Housing Act of 1959; and

(D) with respect to the program for supportive housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), a private nonprofit organization as defined under section 811(k)(5) of the Cranston-Gonzalez National Affordable Housing Act.

SEC. 408. GAO STUDIES.

(a) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall carry out a study and submit to the Congress a report that identifies options to remove barriers and improve housing for persons who are elderly or disabled, including any potential impacts of providing capital advances for—

(1) the program for supportive housing for the elderly under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q); and

(2) the program for supportive housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013).

(b) GAO STUDY TO DETERMINE PROXIMITY OF HOUSING TO SUPERFUND SITES.—Not later than 1 year after the date of the enactment of this section, the Comptroller General of the United States shall carry out a study and submit to the Congress a report that identifies how many residential dwelling units, and how many dwelling units that are a part of public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))), are located less than 1 mile from a site that is included on the National Priorities List established pursuant to section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605).

(c) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall carry out a study and submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that—

(1) establishes a comprehensive definition of residential heirs property, or family land inherited without a will or legal documentation of ownership;

(2) examines the occurrence of and consequences to owners of residential heirs property, and provides an estimate regarding the number of current residential heirs properties;

(3) describes the objectives and requirements of the Uniform Partition of Heirs Property Act as approved by the National Conference of Commissioners on Uniform State Laws in 2010;

(4) details the various resources that may be available to the owners of residential heirs properties, including housing counseling, legal services, and financial assistance to resolve residential heirs property title issues from the Federal Government, nonprofits, and institutes of higher education; and

(5) makes recommendations with respect to how to reduce the number of residential heirs properties, including—

(A) by incentivizing States and other jurisdictions which enact or adopt the Uniform Partition of Heirs Property Act or similar such reforms;

(B) by awarding grants to States and other jurisdictions to assist residents of such States and jurisdictions to establish and document property ownership rights or settle a decedent's estate;

(C) by awarding grants to entities which provide housing counseling, legal assistance, and financial assistance to homeowners and their heirs relating to title clearing and home retention efforts of heirs' property and which target services to low- and moderate-income persons or provide services in neighborhoods that have a high concentration of low- and moderate-income persons; and

(D) by conducting other activities that assist individuals to clear title with respect to heirs' property and with general estate planning.

TITLE V—ENHANCING OVERSIGHT OF HOUSING PROVIDERS

SEC. 501. REQUIREMENT TO TESTIFY.

Section 7 of the Department of Housing and Urban Development Act (42 U.S.C. 3535) is amended by adding at the end the following new subsection:

''(u) ANNUAL TESTIMONY.—The Secretary shall appear before the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate at an annual hearing and present testimony regarding the operations of the Department during the preceding year, including—

''(1) the current programs and operations of the Department;

''(2) the physical condition of all public housing and other housing assisted by the Department;

''(3) the financial health of the mortgage insurance funds of the Federal Housing Agency;

''(4) oversight by the Department of grantees and subgrantees for purposes of preventing waste, fraud, and abuse;

''(5) the progress made by the Federal Government in ending the affordable housing and homelessness crises;

''(6) the capacity of the Department to deliver on its statutory mission; and

''(7) other ongoing activities of the Department, as appropriate.''.

SEC. 502. IMPROVING PUBLIC HOUSING AGENCY ACCOUNTABILITY.

(a) IN GENERAL.—The Secretary shall require each covered public housing agency to provide a notice each year to the Secretary that—

(1) indicates that if a receiver or Federal monitor remains appointed for the covered public housing agency as of October 1 of the calendar year to which such notice relates;

(2) provides the date on which the receiver or Federal monitor was first appointed and the projected date, if known, the appointment of the receiver or Federal monitor will be terminated; and

(3) identifies the current receiver or Federal monitor appointed to oversee the public housing agency.

(b) FEDERAL MONITOR AND RECEIVER TRANSPARENCY.—

(1) Notwithstanding any other provision of law, not later than October 1 of each year, each receiver or Federal monitor that is currently appointed to oversee a covered public housing agency shall provide to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a written assessment that—

(A) describes the management and oversight activities of the receiver or Federal monitor for the covered public housing agency;

(B) identifies the significant factors that led to the appointment of the receiver or Federal monitor for the covered public housing agency;

(C) identifies the factors that remain unresolved at the covered public housing agency that have led to the continued oversight of the receiver or Federal monitor; and

(D) includes a timeline developed by the receiver or Federal monitor that projects when the factors identified under subparagraphs (B) and (C) will be resolved.

(2) In addition to the written assessment required in paragraph (1), upon written request by the Committee on Financial Services of the House of Representatives or the Committee on Banking, Housing, and Urban Affairs of the Senate, each receiver or Federal monitor appointed to oversee a covered

public housing agency shall promptly furnish additional or supplemental information requested by the Committee on Financial Services of the House of Representatives or the Committee on Banking, Housing, and Urban Affairs of the Senate with respect to the covered public housing agency which such receiver or Federal monitor is appointed to oversee, including presenting testimony upon request.

(c) DISCLOSURE REQUIRED.—The Secretary shall, not later than 1 year after the date of the enactment of this section, require each covered public housing agency to publicly disclose, on the website of the covered public housing agency, with respect to each contract entered into by such covered public housing agency in the preceding year, the following information:

(1) All material information about the contract, including the goods and service provided.

(2) The identity of the vendor selected to receive the contract.

(3) The date of the solicitation of the contract.

(4) The relevant information pertaining to the bids and quotes solicited for the contract.

(5) The name of the official who solicited the contract.

(d) INSPECTOR GENERAL REVIEW.—Not later than 180 days after receiving a written request from the Committee on Financial Services of the House of Representatives or the Committee on Banking, Housing, and Urban Affairs of the Senate, the inspector general shall provide to the requesting committee an analysis of—

(1) the status of any covered public housing agency's compliance with any agreements entered into between the covered public housing agency and the Department of Housing and Urban Development, including specific areas of deficiency and progress toward compliance;

(2) a review of actions taken by the receiver or Federal monitor appointed to oversee a covered public housing agency and any private sector housing development partners pursuant to such agreement, including any gaps in oversight by the receiver or Federal monitor;

(3) an assessment of the physical conditions of housing provided by the covered public housing agency, including the status of the covered public housing agency's compliance with relevant health and safety requirements;

(4) an examination of any allegations of waste, fraud, abuse or violations of Federal law committed by employees or contractors of the covered public housing agency;

(5) any additional pertinent information, as determined necessary and appropriate by the inspector general; and

(6) any recommendations of the inspector general that relate to how to improve the compliance of the covered public housing agency with any agreements entered into with the Department of Housing and Urban Development or enhance the oversight of the receiver or Federal monitor over such covered public housing agency.

(e) DEFINITIONS.—

(1) COVERED PUBLIC HOUSING AGENCY.—The term ''covered public housing agency'' means a public housing agency (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))) for which an administrative or judicial receiver or Federal monitor was appointed.

(2) INSPECTOR GENERAL.—The term ''inspector general'' means the inspector general of the Department of Housing and Urban Development.

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

TITLE VI—STRENGTHENING COMMUNITY BANKS' ROLE IN HOUSING

SEC. 601. COMMUNITY BANK DEPOSIT ACCESS.

(a) IN GENERAL.—Section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f) is amended by adding at the end the following:

''(j) LIMITED EXCEPTION FOR CUSTODIAL DEPOSITS.—

''(1) IN GENERAL.—Custodial deposits of an eligible institution shall not be considered to be funds obtained, directly or indirectly, by or through a deposit broker to the extent that the total amount of such custodial deposits does not exceed an amount equal to 20 percent of the total liabilities of the eligible institution.

''(2) DEFINITIONS.—In this subsection:

''(A) CUSTODIAL DEPOSIT.—The term 'custodial deposit' means a deposit that is not deposited at an insured depository institution in return for fees paid by the insured depository institution pursuant to an agreement with a third party and that would otherwise be considered to be obtained, directly or indirectly, by or through a deposit broker, if the deposit is deposited at 1 or more insured depository institutions, for the purpose of providing or maintaining deposit insurance for the benefit of a third party, by or through any of the following, each acting in a formal custodial or fiduciary capacity for the benefit of a third party:

''(i) An insured depository institution serving as agent, trustee, or custodian.

''(ii) A trust entity controlled by an insured depository institution serving as agent, trustee, or custodian.

''(iii) A State-chartered trust company serving as agent, trustee, or custodian.

''(iv) A plan administrator or investment advisor, acting in a formal custodial or fiduciary capacity for the benefit of a plan.

''(B) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an insured depository institution that accepts custodial deposits, if the insured depository institution has less than $10,000,000,000 in total assets as reported on the consolidated report of condition and income as reported quarterly to the appropriate Federal banking agency and—

''(i)(I) when most recently examined under section 10(d) was assigned a composite rating of 1, 2, or 3 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and

''(II) is well capitalized; or

''(ii) has obtained a waiver pursuant to subsection (c).

''(C) PLAN.—The term 'plan' has the meaning given the term in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

''(D) PLAN ADMINISTRATOR.—The term 'plan administrator' has the meaning given the term 'administrator' in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

''(E) WELL CAPITALIZED.—The term 'well capitalized' has the meaning given the term in section 38(b).''.

(b) INTEREST RATE RESTRICTION.—Section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f), as amended by subsection (a), is further amended by adding at the end the following:

''(k) RESTRICTION ON INTEREST RATE PAID ON CERTAIN CUSTODIAL DEPOSITS.—

''(1) DEFINITIONS.—In this subsection—

''(A) the terms 'custodial deposit', 'eligible institution', and 'well capitalized' have the meanings given those terms in subsection (j); and

''(B) the term 'covered insured depository institution' means an insured depository institution that while acting as an eligible institution under subsection (j), accepts custodial deposits while not well capitalized.

''(2) PROHIBITION.—A covered insured depository institution may not pay a rate of interest on custodial deposits that are accepted while not well capitalized that, at the time the funds or custodial deposits are accepted, significantly exceeds the limit set forth in paragraph (3).

''(3) LIMIT ON INTEREST RATES.—The limit on the rate of interest referred to in paragraph (2) shall be not greater than—

''(A) the rate paid on deposits of similar maturity in the normal market area of the covered insured depository institution for deposits accepted in the normal market area of the covered insured depository institution; or

''(B) the national rate paid on deposits of comparable maturity, as established by the Corporation, for deposits accepted outside the normal market area of the covered insured depository institution.''.

SEC. 602. KEEPING DEPOSITS LOCAL.

(a) AMOUNT OF RECIPROCAL DEPOSITS THAT ARE NOT CONSIDERED TO BE FUNDS OBTAINED BY OR THROUGH A DEPOSIT BROKER.—Section 29(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(i)) is amended by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—The sum of the following amounts of reciprocal deposits of an agent institution shall not be considered to be funds obtained, directly or indirectly, by or through a deposit broker:

''(A) An amount equal to 50 percent of the portion of the total liabilities of the agent institution that is less than or equal to $1,000,000,000.

''(B) An amount equal to 40 percent of the portion, if any, of the total liabilities of the agent institution that is greater than $1,000,000,000, but less than or equal to $10,000,000,000.

''(C) An amount equal to 30 percent of the portion, if any, of the total liabilities of the agent institution that is greater than $10,000,000,000, but less than or equal to $250,000,000,000.''.

(b) DEFINITION OF AGENT INSTITUTION.—Section 29(i)(2)(A)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(i)(2)(A)(i)) is amended by striking subclause (I) and inserting the following:

''(I) when most recently examined under section 10(d) was assigned a CAMELS rating of 1, 2, or 3 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and''.

(c) RECIPROCAL DEPOSITS STUDY.—

(1) IN GENERAL.—The Federal Deposit Insurance Corporation, in consultation with the Board of Governors of the Federal Reserve System, shall carry out a study on reciprocal deposits.

(2) CONTENTS.—The study required under paragraph (1) shall include—

(A) an analysis of how reciprocal deposits have performed since 2018, which shall include—

(i) the use of quantitative and qualitative data;

(ii) a breakdown of the usage of reciprocal deposits by size of insured depository institution;

(iii) the usage of reciprocal deposits during periods of stress; and

(iv) an analysis, to the extent practicable, of end-user depositors, such as municipalities, businesses, and non-profit organizations, that drive demand for reciprocal products;

(B) an analysis, to the extent practicable, of how reciprocal deposits compare to other deposit arrangements; and

(C) an analysis of the benefits and potential risks of reciprocal deposits.

(3) REPORT.—Not later than 6 months after the date of enactment of this Act, the Federal Deposit Insurance Corporation shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under paragraph (1).

SEC. 603. SUPERVISORY MODIFICATIONS FOR APPROPRIATE RISK-BASED TESTING.

(a) EXAMINATION RELIEF FOR CERTAIN WELL MANAGED AND WELL CAPITALIZED FINANCIAL INSTITUTIONS.—

(1) INSURED DEPOSITORY INSTITUTIONS.—Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) is amended by adding at the end the following:

''(11) EXAMINATION RELIEF FOR CERTAIN WELL MANAGED AND WELL CAPITALIZED INSURED DEPOSITORY INSTITUTIONS.—

''(A) IN GENERAL.—The following shall apply to a well managed and well capitalized insured depository institution with $6,000,000,000 or less in consolidated assets:

''(i) ALTERNATING LIMITED-SCOPE EXAMINATIONS.—After an insured depository institution receives a full-scope, on-site examination from the appropriate Federal banking agency, the next examination of the insured depository institution by the appropriate Federal banking agency shall be a limited-scope examination, as determined by the appropriate Federal banking agency.

''(ii) COMBINED EXAMINATIONS.—If an insured depository institution is otherwise subject to separate safety and soundness examinations, consumer compliance examinations, and information technology and cybersecurity examinations, the appropriate Federal banking agency shall, upon request of the insured depository institution, combine two or three such examinations, as specified by the insured depository institution, and carry them out at the same time.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to an insured depository institution if—

''(i) the insured depository institution is currently subject to a formal enforcement proceeding or order by the Corporation or the appropriate Federal banking agency; or

''(ii) a person acquired control of the insured depository institution since the most recent full-scope, on-site examination of the insured depository institution from the appropriate Federal banking agency.

''(C) RULEMAKING.—Not later than 12 months after the date of enactment of this paragraph, the Federal banking agencies shall issue rules to carry out subparagraph (A), including, with respect to an insured depository institution described under subparagraph (A), to—

''(i) establish procedures for the limited-scope examinations described in subparagraph (A)(i);

''(ii) establish procedures for reviewing insured depository institutions that—

''(I) experience material changes in financial condition or operational risk profile between scheduled examinations; or

''(II) have failed to comply with Federal or State banking laws and regulations; and

''(iii) balance the goals of streamlining the examination cycle for individual insured depository institutions and reducing unnecessary regulatory burdens while maintaining sufficient oversight to ensure the continued safety and soundness of the insured depository institutions and compliance with all applicable laws and regulations.

''(D) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to limit the authority of a Federal banking agency to conduct off-site monitoring, targeted reviews, or additional full-scope, on-site examinations of an insured depository institution if the Federal banking agency determines such monitoring, reviews, or examinations are necessary to ensure safety and soundness or compliance with applicable laws.

''(E) DEFINITIONS.—In this paragraph:

''(i) CONSUMER COMPLIANCE EXAMINATION.—The term 'consumer compliance examination' means an examination to assess compliance with the requirements of Federal consumer financial law (as such term is defined in section 1002 of the Consumer Financial Protection Act of 2010).

''(ii) WELL CAPITALIZED.—The term 'well capitalized' has the meaning given that term in section 38(b).

''(iii) WELL MANAGED.—With respect to an insured depository institution, the term 'well managed' means that, when the institution was most recently examined by the appropriate Federal banking agency, the institution was found to be well managed, and the institution's composite condition was found to be satisfactory or outstanding.''.

(2) INSURED CREDIT UNIONS.—Section 204 of the Federal Credit Union Act (12 U.S.C. 1784) is amended by adding at the end the following:

''(h) EXAMINATION RELIEF FOR CERTAIN WELL MANAGED AND WELL CAPITALIZED INSURED CREDIT UNIONS.—

''(1) IN GENERAL.—The following shall apply to a well managed and well capitalized insured credit union with $6,000,000,000 or less in consolidated assets:

''(A) ALTERNATING LIMITED-SCOPE EXAMINATIONS.—After an insured credit union receives a full-scope, on-site examination from the National Credit Union Administration, the next examination of the insured credit union by the National Credit Union Administration shall be a limited-scope examination, as determined by the National Credit Union Administration.

''(B) COMBINED EXAMINATIONS.—If an insured credit union is otherwise subject to separate safety and soundness examinations, consumer compliance examinations, and information technology and cybersecurity examinations, the National Credit Union Administration shall, upon request of the insured credit union, combine two or three such examinations, as specified by the insured credit union, and carry them out at the same time.

''(2) EXCEPTION.—Paragraph (1) shall not apply to an insured credit union if the insured credit union is currently subject to a formal enforcement proceeding or order by the National Credit Union Administration.

''(3) RULEMAKING.—Not later than 12 months after the date of enactment of this subsection, the National Credit Union Administration shall issue rules to carry out paragraph (1), including, with respect to an insured credit union described under paragraph (1), to—

''(A) establish procedures for the limited-scope examinations described in paragraph (1)(A);

''(B) establish procedures for reviewing insured credit unions that—

''(i) experience material changes in financial condition or operational risk profile between scheduled examinations; or

''(ii) have failed to comply with Federal or State banking laws and regulations; and

''(C) balance the goals of streamlining the examination cycle for individual insured credit unions and reducing unnecessary regulatory burdens while maintaining sufficient oversight to ensure the continued safety and soundness of the insured credit unions and compliance with all applicable laws and regulations.

''(4) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to limit the authority of the National Credit Union Administration to conduct off-site monitoring, targeted reviews, or additional full-scope, on-site examinations of an insured credit union if the National Credit Union Administration determines such monitoring, reviews, or examinations are necessary to ensure safety and soundness or compliance with applicable laws.

''(5) DEFINITIONS.—In this paragraph:

''(A) CONSUMER COMPLIANCE EXAMINATION.—The term 'consumer compliance examination' means an examination to assess compliance with the requirements of Federal consumer financial law (as such term is defined in section 1002 of the Consumer Financial Protection Act of 2010).

''(B) WELL CAPITALIZED.—The term 'well capitalized' has the meaning given that term in section 216(c).

''(C) WELL MANAGED.—With respect to an insured credit union, the term 'well managed' means that, when the credit union was most recently examined by the National Credit Union Administration, the credit union was found to be well managed, and the credit union's composite condition was found to be satisfactory or outstanding.''.

(b) EXAMINATION PRACTICES.—

(1) INSURED DEPOSITORY INSTITUTIONS.—Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)), as amended by subsection (a)(1), is further amended by adding at the end the following:

''(12) EXAMINATION PRACTICES.—With respect to on-site examination of an insured depository institution with less than $6,000,000,000 in total assets, the appropriate Federal banking agency shall—

''(A) ensure the examination is led by, to the maximum extent practicable, an examiner with significant experience as an examiner;

''(B) make every effort, to the maximum extent practicable, to minimize the number of examiners utilized and the amount of time spent at the institution to carry out the examination;

''(C) make every effort, to the maximum extent practicable, to schedule the examination at a time that is convenient for the institution; and

''(D) to the maximum extent practicable, give the institution advance notice of issues expected to be covered in the examination.

''(13) REPORT.—In its annual report to Congress, each Federal banking agency shall include—

''(A) information on how the agency is complying with paragraphs (11) and (12); and

''(B) aggregate data summarizing the agency's examination practices with respect to insured depository institutions with less than $6,000,000,000 in total assets, including—

''(i) the average experience of examiners, including the average number of years of examiner experience of those who lead on-site examinations;

''(ii) the average number of examiners utilized; and

''(iii) the average amount of time the agency spends visiting such institutions for on-site examinations.''.

(2) INSURED CREDIT UNIONS.—Section 204 of the Federal Credit Union Act (12 U.S.C. 1784), as amended by subsection (a)(2), is further amended by adding at the end the following:

''(i) EXAMINATION PRACTICES.—With respect to on-site examination of an insured credit union with less than $6,000,000,000 in total assets, the National Credit Union Administration shall—

''(1) ensure the examination is led by, to the maximum extent practicable, an examiner with significant experience as an examiner;

''(2) make every effort, to the maximum extent practicable, to minimize the number of examiners utilized and the amount of time spent at the credit union to carry out the examination;

''(3) make every effort, to the maximum extent practicable, to schedule the examination at a time that is convenient for the credit union; and

''(4) to the maximum extent practicable, give the credit union advance notice of issues expected to be covered in the examination.

''(j) REPORT.—In its annual report to Congress, the National Credit Union Administration shall include—

''(1) information on how the Administration is complying with subsections (h) and (i); and

''(2) aggregate data summarizing the Administration's examination practices with respect to insured credit unions with less than $6,000,000,000 in total assets, including—

''(A) the average experience of examiners, including the average number of years of examiner experience of those who lead on-site examinations;

''(B) the average number of examiners utilized; and

''(C) the average amount of time the Administration spends visiting such credit unions for on-site examinations.''.

SEC. 604. TAILORED REGULATORY UPDATES FOR SUPERVISORY TESTING.

Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) is amended—

(1) in paragraph (4)(A), by striking ''$3,000,000,000'' and inserting ''$6,000,000,000''; and

(2) in paragraph (10), by striking ''$3,000,000,000'' and inserting ''$6,000,000,000''.

SEC. 605. CREDIT UNION BOARD MODERNIZATION.

Section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended—

(1) by striking ''monthly'' each place such term appears;

(2) in the matter preceding paragraph (1), by striking ''The board of directors'' and inserting the following:

''(a) IN GENERAL.—The board of directors'';

(3) in subsection (a) (as so designated), by striking ''shall meet at least once a month and''; and

(4) by adding at the end the following:

''(b) MEETINGS.—The board of directors of a Federal credit union shall meet as follows:

''(1) With respect to a de novo Federal credit union, not less frequently than monthly during each of the first five years of the existence of such Federal credit union.

''(2) Not less than six times annually, with at least one meeting held during each fiscal quarter, with respect to a Federal credit union—

''(A) with composite rating of either 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and

''(B) with a capability of management rating under such composite rating of either 1 or 2.

''(3) Not less frequently than once a month, with respect to a Federal credit union—

''(A) with composite rating of either 3, 4, or 5 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); or

''(B) with a capability of management rating under such composite rating of either 3, 4, or 5.''.

SEC. 606. SYSTEMIC RISK AUTHORITY TRANSPARENCY.

(a) GAO REVIEW.—Section 13(c)(4)(G)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)(iv)) is amended to read as follows:

''(iv) GAO REVIEW.—

''(I) IN GENERAL.—The Comptroller General of the United States shall, not later than 60 days after a determination is made under clause (i), and again 180 days thereafter, review and report to the Congress on the determination under clause (i), including—

''(aa) the basis for the determination;

''(bb) the purpose for which any action was taken pursuant to such clause;

''(cc) the likely effect of the determination and such action on the incentives and conduct of insured depository institutions and uninsured depositors;

''(dd) any mismanagement by the executives and board of the insured depository institution that contributed to the failure of the insured depository institution;

''(ee) a review of the compensation practices of the insured depository institution;

''(ff) any supervisory or regulatory shortcomings with respect to the appropriate Federal banking agency of the insured depository institution;

''(gg) any actions taken by the Federal banking regulators, Financial Stability Oversight Council, Department of the Treasury, and other relevant financial regulators in relation to the failure of the insured depository institution; and

''(hh) any additional relevant entities or activities that may have contributed to the failure of the insured depository institution, including with respect to auditing, accounting, credit rating agencies, investment bank underwriters, and emergency liquidity options such as loans from the Federal reserve banks or advances through the Federal Home Loan Bank system.

''(II) RULE OF CONSTRUCTION.—Nothing in this clause or a report issued pursuant to this clause may be construed to limit the authority of a Federal agency to enforce violations of Federal statutes, rules, or orders.''.

(b) APPROPRIATE FEDERAL BANKING AGENCY REPORT.—Section 13(c) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended by adding at the end the following:

''(12) APPROPRIATE FEDERAL BANKING AGENCY REPORT.—

''(A) IN GENERAL.—The appropriate Federal banking agency of an insured depository institution about which a determination is made under paragraph (4)(G)(i) shall, not later than 90 days after the date of such determination, and again 210 days thereafter, submit a report to the Congress that discloses the following:

''(i) Subject to such redactions as the appropriate Federal banking agency determines appropriate to protect personally identifiable information about customers and other financial institutions (as such term is defined under section 11(e)(9)(D)), all—

''(I) reports of examination and inspection that relate to the failed insured depository institution in the previous 3-year period;

''(II) formal communications of a material supervisory determination conveyed to the failed insured depository institution in the previous 3-year period; and

''(III) any additional exam reports and correspondence that the appropriate Federal banking agency determines may be relevant to the failure of the insured depository institution.

''(ii) An examination of any mismanagement by the executives and board of the insured depository institution that contributed to the failure of the insured depository institution.

''(iii) Any supervisory or regulatory shortcomings by such appropriate Federal banking agency with respect to the insured depository institution.

''(iv) Any dynamics that the appropriate Federal banking agency determines may have contributed to the failure of the insured depository institution.

''(v) Any supervisory, regulatory, or legislative recommendations such appropriate Federal banking agency may have to improve the safety and soundness of similarly situated insured depository institutions, the banking system, and financial stability.

''(B) PROTECTION OF SENSITIVE INFORMATION.—

''(i) EFFECT ON PRIVILEGE.—The provision of any information by a Federal banking agency under this paragraph may not be construed as—

''(I) waiving, destroying, or otherwise affecting any privilege applicable to the information; or

''(II) waiving any exemption applicable to the information under section 552 of title 5, United States Code (commonly known as the 'Freedom of Information Act').

''(ii) TRANSPARENCY.—

''(I) IN GENERAL.—A Federal banking agency shall publish materials contained in a report required under subparagraph (A) to the fullest extent possible to promote transparency.

''(II) CONSULTATION ON OMITTING MATERIALS.—If a Federal banking agency determines particular materials described under subclause (I) should not be published, the Federal banking agency shall consult with the chair and ranking member of the Committee on Financial Services of the House of Representatives and the chair and ranking member of the Committee on Banking, Housing, and Urban Affairs of the Senate.

''(III) OMITTING MATERIALS.—If, after the consultation required under subclause (II), the Federal banking agency determines there is a substantial public interest in not publishing such materials, the Federal banking agency shall provide those materials to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with a written explanation describing the reasons for not publishing those materials.

''(iii) PRIVILEGE.—For purposes of this subparagraph, the term 'privilege' includes any work-product, attorney-client, or other privilege recognized under Federal or State law.

''(C) REPORT EXTENSION.—A Federal banking agency may extend a deadline described under subparagraph (A) for an additional 60 days, if the Federal banking agency—

''(i) faces ongoing circumstances that require the Federal banking agency to prioritize activities to promote stability of the U.S. banking system; and

''(ii) notifies the Congress of such extension and the reasons for such extension.

''(D) CONSOLIDATED REPORTS.—A Federal banking agency may consolidate multiple reports required under this paragraph so long as the individual reports being consolidated all meet the timing requirements under this paragraph.

''(E) RULE OF CONSTRUCTION.—Nothing in this paragraph or reports or materials provided pursuant to this paragraph may be construed to limit the authority of a Federal agency to enforce violations of Federal statutes, rules, or orders.''.

SEC. 607. LEAST COST EXCEPTION.

(a) IN GENERAL.—Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)) is amended—

(1) in subparagraph (A)(ii), by inserting ''except as provided in subparagraph (I),'' before ''the total amount'';

(2) in subparagraph (E)(i), by inserting ''and except as provided in subparagraph (I),'' after ''appropriate,''; and

(3) by adding at the end the following:

''(I) LEAST COST RESOLUTION EXCEPTION.—

''(i) IN GENERAL.—With respect to an exercise of authority by the Corporation described in subparagraph (A), the Corporation may, at the discretion of the Corporation, select an alternative method of exercising such authority that is not the least costly to the Deposit Insurance Fund, if—

''(I) the Corporation determines that the selected alternative complies with the requirements of clause (iii); and

''(II) the Corporation and the Board of Governors of the Federal Reserve System, after consultation with the Secretary of the Treasury, determine that the potential additional risks to the Deposit Insurance Fund of the selected alternative are outweighed by the reasonably expected benefits of limiting further concentration of the United States banking system in global systemically important banking organizations.

''(ii) MAXIMUM COST TO THE DEPOSIT INSURANCE FUND.—Not later than 1 year after the date of enactment of this subparagraph, the Corporation, by rule, shall establish criteria for determining on a case-by-case basis the maximum allowable cost against the net worth of the Deposit Insurance Fund that may be utilized to account for any determination under clause (i).

''(iii) REQUIREMENTS DESCRIBED.—The requirements for the selected alternative described in clause (i) are as follows:

''(I) The selected alternative is the least costly to the Deposit Insurance Fund of all alternatives that do not involve a transaction with a global systemically important banking organization and that do not exceed the cost of liquidating the insured depository institution.

''(II) The difference between the cost of the selected alternative and the cost of a covered alternative is less than or equal to the maximum cost to the Deposit Insurance Fund specified pursuant to the rule adopted under clause (ii).

''(III) In the case of a selected alternative that involves another person purchasing assets of the insured depository institution or assuming deposit liabilities of the insured depository institution, such person agrees to pay an assessment to the Corporation comprised of payments—

''(aa) made over a period to be determined by the Corporation, but which may not be less than 5 years; and

''(bb) in an amount that takes into account, on a case-by-case basis, criteria the Corporation, by rule, shall establish, including a realistic discount rate, the aggregate amount equal to the difference calculated in subclause (II), and any bid inconsistent with the purposes of this Act, with such rule to be established by the Corporation not later than 1 year after the date of enactment of this subparagraph.

''(iv) REPORT TO CONGRESS.—Not later than 30 days after selecting an alternative described in clause (i), the Corporation shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing an analysis of the economic difference between the cost to the Deposit Insurance Fund of the selected alternative and the cost to the Deposit Insurance Fund of the least costly alternative that would have been selected absent the application of this subparagraph.

''(v) COST DETERMINATIONS.—All cost determinations required under this subparagraph shall be made in accordance with subparagraphs (B) and (C).

''(vi) DEFINITIONS.—In this subparagraph:

''(I) COVERED ALTERNATIVE.—The term 'covered alternative' means a method of exercising authority described in subparagraph (A) that is the least costly to the Deposit Insurance Fund of all such methods that involve a sale of all or substantially all assets of the insured depository institution to, and assumption of all or substantially all deposit liabilities of the insured depository institution by, a global systemically important banking organization.

''(II) GLOBAL SYSTEMICALLY IMPORTANT BANKING ORGANIZATION.—The term 'global systemically important banking organization' means a global systemically important BHC (as such term is defined in section 217.402 of title 12, Code of Federal Regulations, or any successor thereto) and any affiliate thereof.''.

(b) RULE OF CONSTRUCTION.—Section 13(c)(4)(H) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(H)) does not apply to the amendments made by subsection (a).

SEC. 608. FAILING BANK ACQUISITION FAIRNESS.

(a) CONCENTRATION LIMIT EXCEPTIONS ONLY AVAILABLE TO AVOID SERIOUS ADVERSE ECONOMIC OR FINANCIAL EFFECTS.—

(1) CONCENTRATION LIMITS WITH RESPECT TO DEPOSITS.—

(A) FEDERAL DEPOSIT INSURANCE ACT.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(i) in section 18(c)(13)—

(I) by amending subparagraph (B) to read as follows:

''(B) Subparagraph (A) shall not apply to an interstate merger transaction if—

''(i) such interstate merger transaction involves 1 or more insured depository institutions in default or in danger of default and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from a company that is not subject to the prohibition in subparagraph (A); or

''(ii) the Corporation provides assistance under section 13 to facilitate such interstate merger transaction and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from a company that is not subject to the prohibition in subparagraph (A).''; and

(II) in subparagraph (C)—

(aa) in clause (i), by striking ''and'' at the end;

(bb) in clause (ii), by striking the period at the end and inserting a semicolon; and

(cc) by adding at the end the following:

''(iii) the term 'qualified bid' means an application, proposed application, or bid from a company where—

''(I) if applicable, the company, any affiliate insured depository institution, and any affiliate depository institution holding company are well capitalized and well managed, as of the date of the application, proposed application, or bid; and

''(II) upon consummation of the transaction, the resulting insured depository institution is well capitalized;

''(iv) the term 'well capitalized'—

''(I) with respect to an insured depository institution, has the meaning given such term in section 38(b) (12 U.S.C. 1831o(b));

''(II) with respect to a bank holding company, has the meaning given such term in section 2(o)(1)(B) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(1)(B));

''(III) with respect to a savings and loan holding company, has the meaning given such term in section 238.2 of title 12, Code of Federal Regulations; and

''(IV) with respect to a company that is not an insured depository institution, bank holding company, or savings and loan holding company, means maintaining equity capital that the Corporation determines is commensurate with the capital maintained by an insured depository institution that is well capitalized; and

''(v) the term 'well managed' has the meaning given such term in section 2(o)(9) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(9)).''; and

(ii) in section 44, by amending subsection (e) to read as follows:

''(e) EXCEPTION FOR BANKS IN DEFAULT OR IN DANGER OF DEFAULT.—

''(1) GENERAL EXCEPTION.—The responsible agency may, without regard to paragraph (1), (3), (4), or (5) of subsection (b) or paragraph (2), (4), or (5) of subsection (a), approve an application under subsection (a)(1) for approval of a merger transaction if—

''(A) the merger transaction involves 1 or more banks in default or in danger of default; or

''(B) the Corporation provides assistance under section 13(c) to facilitate such merger transaction.

''(2) CONCENTRATION LIMIT EXCEPTION.—The responsible agency may, without regard to subsection (b)(2), approve an application under subsection (a)(1) for approval of a merger transaction if—

''(A) the merger transaction involves 1 or more banks in default or in danger of default and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in subsection (b)(2); or

''(B) the Corporation provides assistance under section 13(c) to facilitate such merger transaction and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in subsection (b)(2).

''(3) QUALIFIED BID DEFINED.—In this subsection, the term 'qualified bid' has the meaning given that term in section 18(c)(13)(C).''.

(B) BANK HOLDING COMPANY ACT OF 1956.—The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended—

(i) in section 3(d), by amending paragraph (5) to read as follows:

''(5) EXCEPTION FOR BANKS IN DEFAULT OR IN DANGER OF DEFAULT.—

''(A) GENERAL EXCEPTION.—The Board may, without regard to subparagraph (B) or (D) of paragraph (1) or paragraph (3), approve an application pursuant to paragraph (1)(A) if—

''(i) the application is for an acquisition of 1 or more banks in default or in danger of default; or

''(ii) the application is for an acquisition with respect to which assistance is provided under section 13(c) of the Federal Deposit Insurance Act.

''(B) CONCENTRATION LIMIT EXCEPTION.—The Board may, without regard to paragraph (2), approve an application pursuant to paragraph (1)(A) if—

''(i) the application is for the acquisition of 1 or more banks in default or in danger of default and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic

disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in paragraph (2); or

''(ii) the application is for an acquisition with respect to which assistance is provided under section 13(c) of the Federal Deposit Insurance Act and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in paragraph (2).

''(C) QUALIFIED BID DEFINED.—In this paragraph, the term 'qualified bid' has the meaning given that term in section 18(c)(13)(C) of the Federal Deposit Insurance Act.''; and

(ii) in section 4(i)(8), by amending subparagraph (B) to read as follows:

''(B) EXCEPTION.—Subparagraph (A) shall not apply to an acquisition if—

''(i) such acquisition involves an insured depository institution in default or in danger of default and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in paragraph (2); or

''(ii) the Federal Deposit Insurance Corporation provides assistance under section 13 of the Federal Deposit Insurance Act to facilitate such acquisition and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in paragraph (2).''.

(2) CONCENTRATION LIMIT WITH RESPECT TO CONSOLIDATED LIABILITIES.—Section 14(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1852(c)) is amended—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(B) by striking ''With the'' and inserting the following:

''(1) IN GENERAL.—With the''; and

(C) by adding at the end the following:

''(2) LIMITATION.—The Board may provide written consent for an acquisition described in paragraph (1)(A) or in paragraph (1)(B) only if the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in subsection (b).''.

(b) CONGRESSIONAL NOTIFICATION AND JUSTIFICATION FOR WAIVERS.—

(1) IN GENERAL.—Whenever the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation waives a concentration limit under section 18(c)(13)(B) or section 44(e) of the Federal Deposit Insurance Act or under section 3(d)(5), section 4(i)(8)(B), or section 14(c)(2) of the Bank Holding Company Act of 1956, in connection with the acquisition of a bank or insured depository institution in default or in danger of default, or in connection with an acquisition with respect to which the Federal Deposit Insurance Corporation provides assistance under section 13 of the Federal Deposit Insurance Act, the waiving agency and the Federal Deposit Insurance Corporation, jointly, shall, not later than 30 days after such waiver, submit a written report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs in the Senate containing—

(A) a justification for the waiver, including an analysis of why it was necessary to prevent significant economic disruption or significant adverse effects on financial stability;

(B) a description of alternative bids or outcomes considered, including efforts to solicit and encourage bids from entities that would not require a waiver;

(C) an explanation of why alternative bids were not selected, if applicable; and

(D) any recommendations for legislative or regulatory changes to improve competition in future insured depository institution resolutions.

(2) PUBLIC DISCLOSURE.—The waiving agency submitting a report under paragraph (1) and the Federal Deposit Insurance Corporation shall make the report publicly available on their respective websites, subject to redactions for confidential supervisory information and any other information described under section 552(b) of title 5, United States Code.

(c) LIMITATION ON CONSIDERING BAD FAITH BIDS IN LEAST COST DETERMINATION.—Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)), as amended by section 607(a)(3), is further amended by adding at the end the following:

''(J) LIMITATION ON CONSIDERING BAD FAITH BIDS.—In making a determination under this paragraph of whether an exercise of authority is the least costly to the Deposit Insurance Fund, the Corporation may not consider any application, proposed application, or bid from a company, if such application, proposed application, or bid would result in violation of—

''(i) section 18(c)(13) or 44(b)(2); or

''(ii) section 3(d)(2), 4(i)(8), or 14 of the Bank Holding Company Act of 1956.''.

SEC. 609. ADVANCING THE MENTOR-PROTÉGÉ PROGRAM FOR SMALL FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) is amended by adding at the end the following new subsection:

''(d) FINANCIAL AGENT MENTOR-PROTÉGÉ PROGRAM.—

''(1) IN GENERAL.—The Secretary of the Treasury shall establish a program to be known as the 'Financial Agent Mentor-Protégé Program' (in this subsection referred to as the 'Program') under which a financial agent designated by the Secretary or a large financial institution may serve as a mentor, under guidance or regulations prescribed by the Secretary, to a small financial institution to allow such small financial institution—

''(A) to be prepared to perform as a financial agent; or

''(B) to improve capacity to provide services to the customers of the small financial institution.

''(2) OUTREACH.—The Secretary shall hold outreach events to promote the participation of financial agents, large financial institutions, and small financial institutions in the Program at least once a year.

''(3) EXCLUSION.—The Secretary shall issue guidance or regulations to establish a process under which a financial agent, large financial institution, or small financial institution may be excluded from participation in the Program.

''(4) REPORT.—The Secretary shall report to Congress information pertaining to the Program, including—

''(A) the number of financial agents, large financial institutions, and small financial institutions participating in such Program; and

''(B) the number of outreach events described in paragraph (2) held during the year covered by such report.

''(5) DEFINITIONS.—In this subsection:

''(A) FINANCIAL AGENT.—The term 'financial agent' means any national banking association designated by the Secretary of the Treasury to be employed as a financial agent of the Government.

''(B) LARGE FINANCIAL INSTITUTION.—The term 'large financial institution' means any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets greater than or equal to $50,000,000,000.

''(C) RURAL DEPOSITORY INSTITUTION.—The term 'rural depository institution' means a depository institution (as defined in section 3 of the Federal Deposit Insurance Act)—

''(i) with total consolidated assets of less than $10,000,000,000; and

''(ii) located in a rural area, as defined under section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations.

''(D) SMALL FINANCIAL INSTITUTION.—The term 'small financial institution' means—

''(i) any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets less than or equal to $2,000,000,000;

''(ii) a minority depository institution; or

''(iii) a rural depository institution.''.

(b) EFFECTIVE DATE.—This section and the amendment made by this section shall take effect 90 days after the date of the enactment of this Act.

SEC. 610. AMERICAN ACCESS TO BANKING.

(a) STREAMLINING APPLICATION PROCESS AND REVIEW OF CAPITAL RAISING BY DE NOVO REGULATED INSTITUTIONS.—

(1) IN GENERAL.—Each of the Federal financial institutions regulatory agencies shall—

(A) for the purpose of streamlining the process of applying to become a de novo regulated institution, conduct a review of any application forms related to such process;

(B) to the extent practicable, gather information needed from applicants seeking to become a de novo regulated institution from other Federal Government agencies or public sources to minimize information requests of such applicants; and

(C) in consultation with the Securities and Exchange Commission, review how de novo regulated institutions raise capital while maintaining investor protections, including the impact of—

(i) general capital raising restrictions; and

(ii) capital raising restrictions related to individuals who are not accredited investors.

(2) REPORT.—Not later than 1 year after the date of the enactment of this section, and annually for 5 years thereafter, each of the Federal financial institutions regulatory agencies shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate and publish on a public website of such agency a report that contains—

(A) a description of the actions taken by such agency pursuant to paragraph (1); and

(B) as appropriate, any administrative or legislative recommendations with respect to the purpose described in paragraph (1)(C).

(b) IMPROVING COMMUNICATION WITH DE NOVO REGULATED INSTITUTIONS.—

(1) IN GENERAL.—Each of the Federal financial institutions regulatory agencies shall, at the request of an applicant to become a de novo regulated institution, designate an employee of the agency as a caseworker, who may perform such duty in addition to the other duties of the employee.

(2) CASEWORKER DUTIES.—Each caseworker described in paragraph (1) shall, to the maximum extent practicable—

(A) meet with the lead organizers applying to become a de novo regulated institution to provide a tutorial with respect to the application process; and

(B) be the primary point of contact of the respective Federal financial institutions regulatory agency for such organizers during the application process.

(3) NEW CASEWORKER.—Each agency described in paragraph (1) may designate a new caseworker, as appropriate, to support continuity based on staffing and responsibilities assigned to the current caseworker.

(c) DE NOVO MENTOR-PROTÉGÉ PARTNERSHIPS.—

(1) IN GENERAL.—At the request of an institution that seeks to become a de novo regulated institution, each of the Federal financial institutions regulatory agencies shall, to the maximum extent practicable, provide a list to such institution of similar types of institutions that—

(A) were recently approved to become a de novo regulated institution; and

(B) are interested in volunteering to serve as a mentor to provide advice about the de novo application process.

(2) MENTORSHIP INFORMATION.—Not later than 1 year after the date of the enactment of this section, each of the Federal financial institutions regulatory agencies shall provide public information and directions on how an institution may request a mentor or serve as a mentor as described in paragraph (1).

(d) STATE AND STAKEHOLDER ENGAGEMENT PLAN.—

(1) IN GENERAL.—Each of the Federal financial institutions regulatory agencies shall develop a plan to—

(A) regularly consult with State regulators to promote cooperation between State and Federal banking and credit union agencies in the creation of de novo regulated institutions, including responding to any State regulator that requests assistance on how a State-chartered financial institution can request Federal insurance;

(B) regularly consult with stakeholders, including applicants to become de novo regulated institutions and recently approved regulated institutions, to inform any reforms that may support the creation of de novo regulated institutions, including rural institutions, community development financial institutions, and minority depository institutions; and

(C) provide guidance, training material, and regular workshops to assist any interested parties to understand such agencies' processes.

(2) SUBMISSION TO CONGRESS.—

(A) IN GENERAL.—Not later than 2 years after the date of the enactment of this section, and every 5 years thereafter, each of the Federal financial institutions regulatory agencies shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate the respective plan of such agency described in paragraph (1).

(B) PUBLIC COMMENT.—With respect to developing the plan described in paragraph (1), each of the Federal financial institutions regulatory agencies shall—

(i) provide an opportunity for public comments; and

(ii) take such public comments into consideration.

(e) DEFINITIONS.—

(1) IN GENERAL.—In this section:

(A) FEDERAL BANKING AGENCY.—The term ''Federal banking agency'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(B) FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES.—The term ''Federal financial institutions regulatory agencies'' has the meaning given the term in section 1003 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3302).

(C) REGULATED INSTITUTION.—The term ''regulated institution'' means—

(i) with respect to a Federal banking agency, a depository institution (as such term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) for which the Federal banking agency is the appropriate Federal banking agency (as such term is defined in such section 3); and

(ii) with respect to the National Credit Union Administration, an insured credit union (as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(D) STATE.—The term ''State'' means each of the several States, the District of Columbia, and each territory of the United States.

(E) STATE REGULATOR.—The term ''State regulator'' means—

(i) with respect to a Federal banking agency, a State banking regulator; and

(ii) with respect to the National Credit Union Administration, the State regulatory agency having jurisdiction over a State credit union (as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(2) RULE OF CONSTRUCTION.—For purposes of this section, the process of applying to become a de novo regulated institution shall include the process of applying for Federal deposit insurance, Federal share insurance, or membership in the Federal Reserve System.

SEC. 611. PROMOTING NEW BANK FORMATION.

(a) PILOT PHASE-IN OF CAPITAL STANDARDS.—The Federal banking agencies may issue rules that provide for a 2-year phase-in period for a qualifying community bank or its depository institution holding company to meet any Federal capital requirements that would otherwise be applicable to the qualifying community bank or its depository institution holding company, beginning on—

(1) the date on which the qualifying community bank became an insured depository institution; or

(2) in the case of its depository institution holding company, the date on which the qualifying community bank of the depository institution holding company became an insured depository institution.

(b) PILOT CHANGES TO BUSINESS PLANS.—

(1) IN GENERAL.—During the 2-year period beginning on the date on which a qualifying community bank became an insured depository institution, the qualifying community bank or its depository institution holding company may request to deviate from a business plan that has been approved by the appropriate Federal banking agency by submitting a request to such agency pursuant to this section.

(2) REVIEW OF CHANGES.—The appropriate Federal banking agency shall, not later than the end of the 90-day period beginning on the receipt of a request under paragraph (1)—

(A) approve, conditionally approve, or deny such request; and

(B) notify the applicant of such decision and, if the agency denies the request—

(i) provide the applicant with the reason for such denial; and

(ii) suggest changes to the request that, if adopted, would allow the agency to approve such request.

(3) RESULT OF FAILURE TO ACT.—If the appropriate Federal banking agency fails to approve or deny a request within the 90-day period required under paragraph (2), such request shall be deemed to be approved.

(c) PILOT PROGRAM STUDY.—

(1) STUDY.—The Federal banking agencies shall, jointly, carry out a study on the impact of the pilot program carried out pursuant to subsections (a) and (b) of this section on the formation of de novo insured depository institutions, including such institutions which are rural depository institutions, community development financial institutions, and minority depository institutions, taking into account safety and soundness, promoting competition, and expanding access to affordable financial products and services to underserved communities.

(2) REPORT TO CONGRESS.—Not later than December 31, 2031, the Federal banking agencies shall, jointly, issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under paragraph (1).

(d) STUDY ON DE NOVO INSURED DEPOSITORY INSTITUTIONS.—

(1) STUDY.—The Federal banking agencies shall, jointly, carry out a study on—

(A) the principal causes for the low number of de novo insured depository institutions in the 10-year period ending on the date of enactment of this subsection;

(B) ways to promote more de novo insured depository institutions in areas currently underserved by insured depository institutions; and

(C) ways to ensure de novo depository institutions, including institutions which are rural depository institutions, community development financial institutions, and minority depository institutions, can utilize the Community Bank Leverage Ratio.

(2) REPORT TO CONGRESS.—Not later than the end of the 1-year period beginning on the date of enactment of this Act, the Federal banking agencies shall, jointly, issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under paragraph (1).

(e) DEFINITIONS.—In this section:

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(2) DEPOSITORY INSTITUTION.—The term ''depository institution'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(3) DEPOSITORY INSTITUTION HOLDING COMPANY.—The term ''depository institution holding company'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(4) FEDERAL BANKING AGENCY.—The term ''Federal banking agency'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(5) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' has

the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(6) QUALIFYING COMMUNITY BANK.—The term ''qualifying community bank'' means a depository institution that—

(A) including its holding company and all of its subsidiaries and affiliates, has total combined assets of less than $10,000,000,000; and

(B) became an insured depository institution between January 1, 2026, and December 31, 2028.

SEC. 612. RURAL DEPOSITORIES REVITALIZATION STUDY.

(a) STUDY.—The Federal banking agencies shall, jointly, carry out a study—

(1) to identify methods to improve the growth, capital adequacy, and profitability of depository institutions in the United States that primarily serve rural areas; and

(2) to identify Federal statutes (other than appropriations Acts) or regulations of the Federal banking agencies that limit—

(A) the methods identified under paragraph (1); or

(B) the establishment of de novo depository institutions in rural areas.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Federal banking agencies shall, jointly, issue a report to Congress containing all findings and determinations made in carrying out the study required under subsection (a).

(c) STUDY ON RURAL CREDIT UNIONS.—The National Credit Union Administration shall carry out a study—

(1) to identify methods to improve the growth, capital adequacy, and profitability of credit unions in the United States that primarily serve rural areas; and

(2) to identify Federal statutes (other than appropriations Acts) or regulations of the National Credit Union Administration that limit—

(A) the methods identified under paragraph (1); or

(B) the establishment of de novo credit unions in rural areas.

(d) REPORT ON RURAL CREDIT UNIONS.—Not later than 1 year after the date of enactment of this Act, the National Credit Union Administration shall issue a report to Congress containing all findings and determinations made in carrying out the study required under subsection (c).

(e) DEFINITIONS.—In this section:

(1) DEPOSITORY INSTITUTION.—The term ''depository institution'' has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(2) FEDERAL BANKING AGENCIES.—The term ''Federal banking agencies'' means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

(3) RURAL.—With respect to an area, the term ''rural'' has the meaning given that term in section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations.

SEC. 613. DISCRETIONARY SURPLUS FUND.

(a) IN GENERAL.—The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $115,000,000.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 30, 2035.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. HILL) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas.

GENERAL LEAVE

Mr. HILL of Arkansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support today of our collaborative and bipartisan bill titled: ''Housing for the 21st Century Act.''

Americans across our Nation have faced the tough reality of out-of-control costs because of the recent spike in inflation coming out of the pandemic.

President Trump has prioritized addressing affordability, and the Financial Services Committee has been working on solutions in our Committee's area of jurisdiction.

Alongside Ranking Member WATERS, Chairman FLOOD of our Housing and Insurance Subcommittee, and Ranking Member CLEAVER of our Housing and Insurance Subcommittee, together, we have introduced the Housing for the 21st Century Act to deliver a straightforward approach to housing. This includes building more homes and removing barriers standing in the way with an eye towards driving down that marginal cost of a new unit.

Mr. Speaker, the Housing for the 21st Century Act will streamline approvals and simplify the Federal and local housing process to give rural and urban communities the tools they need to build homes faster. Importantly, our bill helps banks access stable deposit funding. It streamlines the exam process that is tailored particularly for our vital community banks. It helps promote more community banks to do what they do best, which is lend locally and support their communities.

I think it is important, Mr. Speaker, that on this House floor all of us know that without our community banks and without vigorous lending, homes don't get built. Our communities and regional banks play a key role in that housing construction ecosystem.

When there are not enough homes, prices go up. The Housing for the 21st Century Act includes real bipartisan solutions to expand supply, lower costs, and, more importantly, give our families more options.

Let's deliver this real solution and return the housing market back to working for the very people that it should serve, the very people we do serve in the people's House.

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6644, the Housing for the 21st Century Act, sponsored by myself and, of course, by Representatives Hill, Cleaver, and Flood.

Our housing and homelessness crisis has reached a breaking point, as millions of Americans each night struggle to find a decent, stable, and affordable place to live. The struggle has real faces of our children's teachers, working mothers, veterans, and, of course, children from all over the country. The struggle is in our rural towns, urban areas, and suburban neighborhoods across America.

On any given night, 800,000 people are experiencing homelessness in the United States of America. Rents nationwide have soared by 47 percent, and home prices have skyrocketed 57 percent. Incomes haven't kept pace with these increases, which means housing eats up more and more of a family's paycheck.

As the lead Democrat on the House Financial Services Committee, it has been my mission to fight to end this homelessness and housing crisis. The Housing for the 21st Century Act is a critical first step in that mission.

Passed in Committee with overwhelming bipartisan support, H.R. 6644 sets the stage for building and preserving more affordable homes in our neighborhood. It makes many long overdue improvements to housing programs, expands local development opportunities, and broadens access to homeownership.

H.R. 6644 also includes a dozen bipartisan provisions to help small banks like community development financial institutions, the CDFIs, and minority depository institutions, the MDIs. It helps meet the housing and other needs of our constituents.

The bill also addresses concerns from the 2023 banking crisis that will now promote a safe, sound, and competitive banking system, one that doesn't threaten our housing markets or our economy.

This package represents a historical, bipartisan agreement. I am proud that Mr. HILL and I, along with Mr. FLOOD and Mr. CLEAVER, have been able to work together to prioritize the housing needs of millions of Americans and advance this legislation.

Mr. Speaker, I also want to highlight House and committee Democrats who worked tirelessly with me on this package. H.R. 6644 includes 25 provisions that come directly from bills championed and introduced by House Democrats and another 16 provisions that House Democrats co-led.

I am excited that it includes my bill, H.R. 5077, which would allow cities to use CDBG funds toward affordable housing construction.

It also includes H.R. 6774, which would finally create a pilot program at the Federal Housing Administration to offer small-dollar mortgages.

It includes my bill, H.R. 6773, which directs cities across America to finally publish a database of their unused land so that developers may be able to bid on it and build more housing.

Mr. Speaker, I am pleased that it includes my bill, H.R. 4544, to encourage the formation of new banks including CDFIs and MDIs so that borrowers will have more options when they want to buy a home.

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While we come today to pass this initial bill, let me be clear that much more work is needed. We can't pass this bill, call it a night, and then claim that this affordable housing and homelessness crisis is over. A significant problem warrants a significant response, which means that we need significant Federal investments to solve this crisis.

Mr. Speaker, I hope that this administration is watching today and learns something about true bipartisanship and getting things done for the American people. Our bill is the type of bipartisan work that is needed to tackle the crisis facing Americans. Among meaningless tweets, empty promises, costly tariffs, and ridiculous policies like the 50-year mortgage, while this affordability crisis rages on, Congress can act tonight to support Americans who are looking for real housing solutions.

Mr. Speaker, that is why I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume. I include in the RECORD the CBO estimate for this bill.

EFFECTS ON DIRECT SPENDING AND REVENUES OF LEGISLATION CONSIDERED UNDER SUSPENSION OF THE RULES IN THE HOUSE OF REPRESENTATIVES WEEK OF FEBRUARY 9, 2026

Bill Number	Title	Effect on Direct Spending	Effect on Revenues	Additional Information on Direct Spending and Revenue Effects
H.R. 6644	Housing for the 21st Century Act, as amended.	Increase by at Least $500K.	Increase by at Least $500K.	Would not increase the deficit.

Source: Congressional Budget Office.

Mr. HILL of Arkansas. Mr. Speaker, from Los Angeles, California, to the capital city of Little Rock, Arkansas, I have heard directly, Mr. CLEAVER has heard directly from Kansas City, and other Members hear directly about what is wrong at HUD. We are asked about how we can improve these programs and make them work for the American people and how they can have more accountability and more effectiveness for the taxpayer dollars that are expended.

That is at the heart of the work that Mr. CLEAVER and Mr. FLOOD have done, as I say, benefiting a big city like the Los Angeles Basin all the way to a capital city like Little Rock, Arkansas, and certainly to Lincoln, Nebraska.

I am so pleased to have the leadership of the gentleman from Nebraska (Mr. FLOOD), who serves as the chair in this Congress of the Housing and Insurance Subcommittee. Mr. FLOOD has spent a lot of time working with Mr. CLEAVER to do exactly that: How to make these programs more effective for the American people.

Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska (Mr. FLOOD), the author of the bill.

Mr. FLOOD. Mr. Speaker, I thank Chairman HILL; Ranking Member WATERS; and my counterpart on the Housing and Insurance Subcommittee, Ranking Member CLEAVER, for all of their work on this package.

This is how Congress is supposed to work. We all worked hard to bring forth a bipartisan housing bill that addresses housing affordability. The Housing for the 21st Century Act cuts costs, slashes red tape, and will increase housing supply.

There is no question that the legislation before us is a historic rewriting of our housing laws to bring our housing market into the 21st century.

According to the National Association of Realtors, the median annual existing home price in 2024 was up 69 percent relative to 1995, and that figure is adjusted for inflation. The realtors also have data showing that the median age of a first-time home buyer is 40 years old. This is an absolutely astounding figure.

Some estimates put the gap between housing supply and demand at about 3.85 million units, while other estimates show it to be 5 million units. This housing affordability challenge affects everyone, from young people saving up for their first home, to middle-class workers who are working as hard as they can to provide for their family and are just trying to make the rent.

There is no silver bullet for fixing this problem, but I think that this bill, this legislation, includes a range of meaningful housing reforms that will add to housing supply and ultimately decrease housing costs.

I will take a moment to highlight a few provisions that I think will make a difference. Section 104 and 105 of the bill works to rightsize the environmental reviews on both HUD and USDA housing projects to properly reflect their impact on the environment. This legislation ensures that these environmental reviews are properly tailored to the real impact of a project going forward, and this change will ensure that more housing projects break ground on time and on budget.

Section 201 includes reform of the HOME Investment Partnerships, the largest block grant program at HUD dedicated to building affordable housing. This bill would change HOME by slashing environmental reviews, easing labor cost burdens like the ones created by section 3 HUD requirements, and providing greater flexibility for cities and towns across the country to use HOME dollars to promote homeownership.

Section 301 makes important changes for manufactured housing. I give a special thanks to Congressman JOHN ROSE and his extremely important bill that would remove the requirement that a manufactured home be built with a chassis. That saves money. That one change is going to enable a significant growth for manufactured housing, and it will reduce the cost of manufactured homes.

Finally, title 6 of this bill adds meaningful community banking reforms to this legislation. It eases the burdens for de novo banks so that new banks can get off the ground. It tailors regulatory requirements for the smallest community banks, and it reforms the bank resolution process.

The SPEAKER pro tempore (Mr. SESSIONS). The time of the gentleman has expired.

Mr. HILL of Arkansas. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Nebraska.

Mr. FLOOD. Mr. Speaker, the bottom line is that the Housing for the 21st Century Act is a comprehensive, bipartisan housing reform package that will increase housing supply, slash government regulations that keep housing costs high, and unleash our community banking sector.

Mr. Speaker, I thank everybody who worked on this bill, especially the gentleman from Missouri (Mr. CLEAVER), Chairman HILL, and Ranking Member WATERS.

Mrs. BEATTY. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. CLEAVER), who is also the ranking member of the Subcommittee on Housing and Insurance.

Mr. CLEAVER, along with Mr. FLOOD, worked hard to reauthorize and reform HOME, which is in this bill.

Mr. CLEAVER. Mr. Speaker, I thank Mrs. BEATTY for yielding me time.

Mr. Speaker, I rise in support of H.R. 6644, also known as the Housing for the 21st Century Act. This legislation, introduced by Chairman HILL, Ranking Member WATERS, Chairman FLOOD, and me, advanced out of the Financial Services Committee by an impressive 50–1 vote.

This legislation reflects input from Democrats, Republicans, and hundreds of organizations nationwide. If enacted, the Housing for the 21st Century Act would streamline regulations, expand affordable housing financing, and modernize Federal housing programs to significantly expand the Nation's housing supply. Passage of this bill would be historic not because it is extraordinary but because it is overdue.

For decades, chronic underbuilding in the United States has driven up housing costs, priced millions out of homeownership, strained household budgets, and constrained employers' abilities to attract workers.

Americans want their Representatives to act on the rising cost of living. For most American families, the monthly housing payment is their single largest expense. Representing about one-third of the Consumer Price Index, housing is also the single largest component of overall inflation.

I commend Chairman HILL, Ranking Member WATERS, Chairman FLOOD, and

others for prioritizing good policy over bad politics on this important matter. I am especially proud that the Housing for the 21st Century Act includes the HOME Reform Act, which represents the most significant update to the HOME Investment Partnerships Program since its creation.

This bill may not increase spending, but it ensures that every dollar we do spend goes further. Although this legislation is significant, we must view this legislation as the beginning of a new era of accommodating the American movement of housing for all.

In the Senate, the introduction of the ROAD to Housing Act highlights growing bipartisan cooperation on housing. I look forward to negotiations with the Senate on a bicameral product that can make it to the President's desk for signature and, above all, a product that would deliver tangible results for the American people.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank Mr. CLEAVER for his work with Mr. FLOOD on this bill and his leadership in trying to find bipartisan solutions.

Mr. Speaker, I met last week with the community development folks from Little Rock, Arkansas. Kevin Howard, my friend who runs Housing and Community Development for the city of Little Rock, was in, singing the praises of this bill of how it will make their work so much more effective were the 21st century housing proposal enacted into law today.

Mr. Speaker, I include in the RECORD a link to a list of over 70 organizations that support this bill being enacted: https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=411018

□ 1550

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. HUIZENGA), the vice chairman of our full committee, the Committee on Financial Services, for remarks on this bill.

Mr. HUIZENGA. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, housing is vital in every State and in every one of our communities. As of 2025, my home State of Michigan was short more than 141,000 homes, leaving many qualified home buyers on the sidelines.

The Housing for the 21st Century Act will help increase home production, which to date has failed to keep pace with rising demand, leading to more affordability challenges for all Americans. Additionally, today's legislation rightly focuses on modernizing housing policies while increasing affordable housing and accelerating development.

''Affordability'' is the keyword here. I have a professional background in construction, housing development, and home sales. My own family has been involved for over three generations in construction. Now, my cousins have their ready-mix concrete company, and I have our aggregate businesses and home development.

I can tell you, Mr. Speaker, we have seen firsthand how government at every level, local, State, and Federal, has put up barrier after barrier to affordable housing. In fact, based on recent analysis, the average home in Michigan costs almost double to build than what the average family can afford.

The Housing for the 21st Century Act would help reduce Federal barriers to building housing by expanding the Federal and local housing systems. Now, the American people need the same level of commitment from their State and local governments, as well.

Mr. Speaker, I urge my colleagues to support this well-crafted, bipartisan bill.

Mrs. BEATTY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. FOSTER), the ranking member of the Subcommittee on Financial Institutions.

Mr. FOSTER. Mr. Speaker, I rise in support of H.R. 6644, the Housing for the 21st Century Act, which makes improvements to Federal programs that will support housing development and affordability.

This bipartisan bill will broaden access to homeownership, expedite new construction, and lay the foundation for more cost-effective housing developments across the Nation.

This legislation includes 25 housing provisions that were introduced by Democrats and 12 banking provisions that passed our committee with broad bipartisan support.

To support local lenders and access to financing, this bill includes bipartisan reforms to strengthen our community banks, credit unions, CDFIs, and MDIs.

As ranking member of the Subcommittee on Financial Institutions, I support the inclusion of these reforms, including the SMART Act and the Least Cost Exception Act, which I am proud to co-lead.

The banking provisions are narrowly tailored to help our small community financial institutions, to provide regulatory relief for well-managed institutions, to increase access to insured deposits, and to establish safeguards to prevent the largest too-big-to-fail banks from growing even larger during times of economic stress.

This legislation is a strong bipartisan effort to spur new housing development, improve affordability, and increase access to financing.

Mr. Speaker, I encourage a ''yes'' vote on this bill.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the work of my friend from Illinois on this bill, the important work he has done both in the housing portion and on the work we have done together on nonbank designations. I appreciate his leadership.

Mr. Speaker, he mentioned the importance of community banks, from Texas to California, Arkansas, and across this country. The reason why it is so important to link housing and lowering housing cost policies, these HUD-related policies, to banking is because our banks under $10 billion, Mr. Speaker, make about 60 percent of all the home construction loans in our country.

Therefore, that is why the ranking member and I, and our committee, have chosen to come to this House floor to talk about some specific housing measures. I want to make sure that the American people know that we know that the supply of housing has to be financed. Some 60 percent of that is done by our local community banks and credit unions spread across this country.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. DE LA CRUZ), the author of section 106 in this bill.

Ms. DE LA CRUZ. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, today, I rise in support of H.R. 6644, the Housing for the 21st Century Act, sponsored by Chairman HILL.

This legislation includes dozens of commonsense, bipartisan housing solutions that meet the needs of the housing crisis that everyday Americans are dealing with.

I am particularly proud to see three key provisions of mine included to update the FHA's mortgage insurance loan limits for residential multifamily construction to bring more homes on the market, ensure veterans are made aware of the VA loan products they are eligible for, and strengthen the coordination of our Federal housing agencies to maximize the impact of our current Federal housing programs.

H.R. 6644 is a critical step toward putting our housing sector back on the right footing, and I urge my colleagues to join me in support.

Mrs. BEATTY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6644, the Housing for the 21st Century Act.

I certainly applaud Ranking Member WATERS and Chairman FLOOD for working together and for the inclusiveness of this package. I am proud to have five affordable housing bills included in this overwhelmingly bipartisan package.

One of my bills makes key provisions to the HOME program at HUD to ease compliance for small properties and to recognize community land trusts as eligible HOME fund recipients.

The package also expands foreclosure mitigation counseling to delinquent borrowers and raises the public welfare investment, or PWI, cap to 20 percent to free up capital for historic investments in affordable housing and community development.

Among other community bank reforms, H.R. 6644 includes my bill to

modernize the treatment of reciprocal deposits to help small- and mid-size banks, like Fifth Third Bank, Huntington Bank, KeyBank, improve liquidity and better compete for large accounts.

Finally, Mr. Speaker, it includes a measure that I have long championed in Congress, a bill to codify the financial agent mentor-protege program at the Treasury to help small banks and minority deposit institutions, or MDIs, survive. We also have one AdelFi bank in my district, and I thank them for all the work that they have done with that. It will also help them survive and thrive.

Lastly, again, I thank Ranking Member WATERS and Chairman HILL for their leadership on this package, and I urge my colleagues to support the package.

Mr. Speaker, I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. ROSE), who has authored the very important manufactured housing provisions, which will immediately help our consumers, our families, across this country have a more affordable housing option.

Mr. ROSE. Mr. Speaker, I thank the chairman, my good friend from Arkansas, for yielding me time today.

Mr. Speaker, I rise in strong support of the Housing for the 21st Century Act.

This legislation will lower housing costs for millions of Americans, including tens of thousands of Tennessee families whom I represent.

I am proud that my bipartisan bill, the Housing Supply Expansion Act of 2025, was included in the Housing for the 21st Century Act. My bill removes an outdated Federal chassis requirement that has stifled manufactured housing construction for decades.

□ 1600

When we hear the term ''manufactured home,'' many people still think ''mobile home.'' That is because Federal law has forced us to adhere to a permanent chassis requirement. Since 1974, manufactured homes have had to be built on a permanently installed steel chassis, even after the home is placed on a site, never to be moved again.

This bill will give millions of Americans a path to homeownership without going over budget. It will provide young and low-income families with the opportunity to build equity instead of being locked into rising rents year after year.

You don't have to be a trained economist to understand why home prices and rental rates have skyrocketed. Demand continues to outpace supply in our cities, suburbs, and even in many rural communities across this country.

The simple truth is that we need more homes. This bill takes meaningful steps toward making that happen. We are reducing unnecessary regulatory barriers, removing financing roadblocks, and modernizing HUD programs.

Municipalities across the country have restricted or outright banned homes built on permanent steel chassis. The result has been less construction, higher costs, and fewer opportunities for working families to own where they live.

Yet, manufactured housing is one of the most effective ways to expand housing supply quickly and affordably. By removing this outdated Federal restriction, more homes will be built, and ultimately prices will come down for everyone.

The experts in the manufactured housing space tell us that allowing manufacturers to design a single-family home without a permanent chassis will bring about modern low-profile builds, multistory construction, and urban-friendly designs. It will also improve efficiency and eliminate unnecessary steel, waste, and cost.

We cannot sit by while 50-year-old policies prevent folks from signing on the dotted line. Imagine if the Federal Government had mandated that every vehicle coming off of Henry Ford's assembly line had to remain permanently attached to a trailer in order to be owned. We all know that didn't happen because the trailer was a means of transportation, not a permanent feature.

Housing should work the same way. There is a reason why this bill has so much bipartisan support.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HILL of Arkansas. Mr. Speaker, I yield an additional 15 seconds to the gentleman from Tennessee.

Mr. ROSE. Mr. Speaker, it includes commonsense solutions for building more homes, lowering costs, and giving more Americans dignity and stability.

Mrs. BEATTY. Mr. Speaker, I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, Mr. ROSE certainly talked about cost savings due to the deregulatory nature of this bill, lowering costs. All of us here know that we have learned in our committee work that 25 percent of the price of a new home in America is due to regulatory costs, State, local, and Federal. So, our bill has that as a theme.

Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. NUNN). He has worked hard at making sure these improvements in the Housing for the 21st Century Act fully apply to housing in rural areas, not just urban areas.

Mr. NUNN of Iowa. Mr. Speaker, I thank Chairman HILL and the team here for a bipartisan bill that helps rural America have a successful pathway to housing in the 21st century.

My legislation includes the Rural Housing Service Reform Act, the most meaningful update to rural housing in decades.

Whether you are in Des Moines or Ottumwa, the number one expense Iowans are facing is housing. The American Dream of homeownership is starting to slip away.

In Iowa, renters spend 40 percent of their income just making sure they have a roof over their head, and the average home buyer is now in their mid-forties.

It doesn't have to be like this. This bipartisan legislation, led with my colleague Representative CLEAVER, a Democrat from Missouri, makes commonsense changes to fix the housing programs that have been broken for far too long.

My bill means a young couple in Creston, Iowa, can buy their first home, and seniors in Osceola, Iowa, can stay in their communities.

This bill will help hundreds of thousands of Iowans and millions of Americans into homeownership and continued homeownership.

Let's restore the dream of homeownership for all of our country. This is a win for everyone. It is affordable. It is achievable. Let's get it done.

Mrs. BEATTY. Mr. Speaker, I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. KIM), a great member of our House Financial Services Committee and a senior member on the House Foreign Affairs Committee.

Mrs. KIM. Mr. Speaker, I thank the gentleman for yielding.

I rise today in support in the Housing for the 21st Century Act. After years of inaction, my home State of California has earned an F in housing affordability. Under Gavin Newsom and Sacramento leadership, hardworking families are being left in the dust.

That is why I am taking action to help address this crisis for my constituents in Orange, Riverside, and San Bernardino Counties.

Earlier this Congress, I worked with President Trump to secure historic SALT relief for Californians. That relief, combined with the provisions in the Housing for the 21st Century Act, will bring the dream of homeownership closer to reality for working families in my district.

For far too long, working-class Americans have been priced out of the housing market. The Housing for the 21st Century Act confronts that problem head-on by exploring where our housing system has left these families behind.

For the first time since 2006, we are finally increasing the capital that financial institutions can invest in affordable housing and community development projects. There is finally the willingness to tackle this housing crisis head-on.

The SPEAKER pro tempore (Mr. LAHOOD). The time of the gentlewoman has expired.

Mr. HILL of Arkansas. Mr. Speaker, I yield an additional 15 seconds to the gentlewoman from California.

Mrs. KIM. The Housing for the 21st Century Act builds on the success of

the working-class families tax cuts and deserves swift passage so we can deliver results for American families.

Mrs. BEATTY. Mr. Speaker, I yield myself the balance of my time.

H.R. 6644 represents an important first step, a strong bipartisan one, in our fight to ensure affordable, decent housing for everyone in America. It provides a critical foundation for us to end the affordable housing and homelessness crisis.

This bill would update and improve existing Federal housing programs by expanding local development opportunities and modernizing existing housing programs in communities across the country. It will also support community financial institutions to meet the housing needs in their communities.

I am pleased to advance this legislation to the floor with Ranking Member WATERS, Chairman HILL, Mr. FLOOD, and Mr. CLEAVER, and I am proud that it includes 20 housing provisions and five banking provisions championed by committee Democrats. This bill is a true testament, Mr. Speaker, to bipartisanship.

I, again, urge my colleagues to support this bill, and I yield back the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, first, I have to say a big thank-you to Ranking Member WATERS; the ranking member of our subcommittee, Mr. CLEAVER; and the tireless leadership of MIKE FLOOD, the chair of our Subcommittee on Housing and Insurance. They have collaborated for a year to bring these proposals to the House floor today.

I reiterate that the linkage of housing and community banking is two sides of the same coin that leads to a better outcome, more choice, more accessibility, more affordability, and more housing choices for the American people.

This bill also has important HUD oversight, which I think is critical to make sure those who are tenants in HUD programs have the care, oversight, and safe and sound conditions they deserve.

Mr. Speaker, I also thank the staff on both sides of the aisle for their work in putting this bill together, particularly on the majority side, Ed Skala and Maura Woosley, for their collaboration on the banking provisions with their minority colleagues and the community banking provisions.

I urge Members on both sides of the aisle to provide a ''yes'' vote for this important banking and housing legislation.

Mr. Speaker, I yield back the balance of my time.

□ 1610

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. HILL) that the House suspend the rules and pass the bill, H.R. 6644, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. HILL of Arkansas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

FINANCIAL STABILITY OVERSIGHT COUNCIL IMPROVEMENT ACT OF 2025

Mr. HILL of Arkansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3682) to amend the Financial Stability Act of 2010 to require the Financial Stability Oversight Council to consider alternative approaches before determining that a U.S. nonbank financial company shall be supervised by the Board of Governors of the Federal Reserve System, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3682

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 ''Financial Stability Oversight Council Improvement Act of 2025''.

SEC. 2. FINANCIAL STABILITY OVERSIGHT COUNCIL.

Section 113 of the Financial Stability Act of 2010 (12 U.S.C. 5323) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''The Council'' and inserting ''Subject to paragraph (3), the Council''; and

(B) by adding at the end the following:

''(3) INITIAL DETERMINATION.—The Council may not vote on a proposed determination with respect to a U.S. nonbank financial company under paragraph (1) unless the Council first determines, in consultation with the company and the primary financial regulatory agency with respect to the company, that a different action by the Council or the agency (including the application of new or heightened standards and safeguards under section 120), or by the company under a written plan that is submitted promptly to the Council, is impracticable or insufficient to mitigate the threat that material financial distress at the company, or the nature, scope, size, scale, concentration, interconnectedness, or mix of the activities of the company, could pose to the financial stability of the United States.''; and

(2) in subsection (f)(1), by striking ''subsection (e)'' and inserting ''subsections (a)(3) and (e)''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. HILL) and the gentlewoman from Ohio (Mrs. BEATTY) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas.

GENERAL LEAVE

Mr. HILL of Arkansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of this fine bill offered by Mr. FOSTER and Mr. HUIZENGA. It is a bipartisan bill, Mr. Speaker, the Financial Stability Oversight Council Improvement Act, after a decade of collaboration across four Presidential administrations that has led to this consensus on this measure.

The Financial Stability Oversight Council, FSOC, created in the aftermath of the global financial crisis, plays an important role in understanding and examining nonbanks, and that is because many nonbanks, large nonbanks, are not subject to the same regulations and supervision as traditional banks, so the Congress created this process.

Unfortunately, its own structure, as composed by political appointees, can inhibit the Council's ability to effectively critique fellow agencies or itself when monitoring potential systemic risk to financial stability by a large nonbank.

H.R. 3682 requires the FSOC to explore alternatives to designating a nonbank for enhanced supervision by the Federal Reserve. This is at the heart of the collaboration in this bill.

If a nonbank were improperly designated, it could hinder innovation and make the United States' financial system less competitive as a result.

This bill will impose rigorous procedural guardrails and enhance due diligence protections and a stronger analytic framework before a firm can be designated as a systemically important financial institution, or SIFI.

I thank, again, the gentleman from Illinois (Mr. FOSTER) and the gentleman from Michigan (Mr. HUIZENGA) for their collaboration in producing this solid, bipartisan bill that will protect U.S. competitiveness and deliver financial stability consistent with FSOC's mission, but do that in a thoughtful, analytic way that can support a review of systemic risk.

Mr. Speaker, I urge my colleagues to support the bill, and I reserve the balance of my time.

Mrs. BEATTY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3682, the Financial Stability Oversight Council Improvement Act of 2025, sponsored by Representative FOSTER.

Let me start by thanking the bill sponsor and our ranking member for our Financial Institutions Subcommittee for his leadership on these matters.

Representative FOSTER has helped raise the alarm regarding the financial stability threats posed by the AI boom. He has introduced additional bills that would strengthen our financial stability, including one to reverse Trump's dangerous budget and staffing cuts to the Financial Stability Oversight Council and Office of Financial Research.