The First-Time Homebuyer Affordability Act

Stubbornly high mortgage interest rates and historically low inventory are putting the American Dream of homeownership out of reach for working, creditworthy families. The bipartisan **First-Time Homebuyer Affordability Act (H.R. 10075)**, sponsored by Representatives Darin LaHood (R-IL), Jimmy Panetta (D-CA), Blake Moore (R-UT), and Tom Suozzi (D-NY), is one of the most significant bills in recent years to tackle the high cost of homeownership, expanding access to low-cost mortgage capital for lower-income families by removing Mortgage Revenue Bonds (MRBs) from the Private Activity Bond (PAB) cap.

Mortgage Revenue Bonds — The Most Effective Tool for Lowering the Cost of Homeownership — Are Limited by an Artificial Cap
Housing finance agencies issue MRBs — a type of tax-exempt bond called a qualified private activity bond — to finance low-interest mortgages for modest-income first-time home buyers. Because interest income on these bonds is not taxed, investors will accept a lower rate of return, allowing the savings to be passed down in the form of lower interest rates, saving these home buyers thousands of dollars every year.

MRBs have been around for decades, helping more than 3.7 million families become home buyers. But many who qualify for an MRB loan can't get one because of artificial limitations. Each year, states receive a finite amount of PAB authority to use for a host of different financing needs. This includes MRB mortgages but also rental housing production; improvements to certain public-use infrastructure like airports, docks, community facilities, and water and sewer systems; support for manufacturing plants; and student loans. With so many priorities competing for a limited resource, some states are forced to rely on taxable debt to supplement — or even instead of — MRBs to finance mortgages for modest-income Americans. These mortgages typically have far higher interest rates than what could be achieved with an MRB.

Expanding Access to a Proven Tool to Make Homeownership Possible

MRBs are a cost-effective, proven, and targeted means of supporting homeownership. By removing MRBs from the PAB cap, Congress would be prioritizing homeownership the same way it already prioritizes support for nonprofit entities like universities and hospitals, which are able to borrow tax-exempt without being limited by a federally imposed cap. The program's long-standing, strict targeting rules ensure only low- and moderate-income first-time buyers purchasing modestly priced homes, or home buyers living in economically distressed markets, would benefit from the policy change. Moreover, unlike government obligation bonds, MRBs are repaid through borrowers' mortgage payments, not tax dollars.

In addition to NCSHA, this legislation is supported by the Mortgage Bankers Association, National Association of Home Builders, National Housing Conference, Council of Development Finance Agencies, and RBC Capital Markets.

MRB Facts and Stats

First-time home buyers accounted for just 21 percent of home purchases from July 2024 to June 2025, the smallest share since at least 1981. The median age of first-time home buyers has increased to 40, up from the late 20s in the 1980s. We can reverse these trends with MRBs.

- MRBs make homeownership possible by providing loans that can be as much or more than a full percent lower than conventional mortgages.
- MRBs target the borrowers who need this resource most — generally households earning no more than 115 percent of average in their area. In fact, 71 percent of MRB borrowers in 2024 earned no more than the average for their area and nearly half earned less than 80 percent of area median.
- MRB borrowers are purchasing modest homes, costing on average $238,286 in 2024, less than half the median purchase price for all homes that year.

To cosponsor or learn more, contact:

Ben Monticello
Office of Rep. Darin LaHood (R-IL-16)
Ben.Monticello@mail.house.gov

Krista Wunsche
Office of Rep. Jimmy Panetta (D-CA-19)
Krista.Wunsche@mail.house.gov