



February 27, 2026

The Honorable John Thune  
Majority Leader  
U.S. Senate

The Honorable Charles Schumer  
Minority Leader  
U.S. Senate

The Honorable Mike Johnson  
Speaker  
U.S. House of Representatives

The Honorable Hakeem Jeffries  
Minority Leader  
U.S. House of Representatives

The Honorable Tim Scott  
Chairman  
Senate Banking Committee

The Honorable Elizabeth Warren  
Ranking Member  
Senate Banking Committee

The Honorable French Hill  
Chairman  
House Financial Services Committee

The Honorable Maxine Waters  
Ranking Member  
House Financial Services Committee

Dear Leader Thune, Leader Schumer, Speaker Johnson, Leader Jeffries, Chairman Scott, Ranking Member Warren, Chairman Hill, and Ranking Member Waters:

The National Council of State Housing Agencies (NCSHA), on behalf of our state Housing Finance Agency members, commends you on your work to advance comprehensive, bipartisan legislation that strengthens and modernizes federal affordable housing programs.<sup>1</sup> We enthusiastically support the Senate Banking Committee's Renewing Opportunity in the American Dream (ROAD) to Housing Act and the House Financial Services Committee's Housing for the 21<sup>st</sup> Century Act.

With housing affordability a top concern for so many Americans, it is critical that Congress meets the moment by taking action to reduce housing costs. Both the ROAD to Housing and Housing for the 21<sup>st</sup> Century bills include important and long-overdue improvements to the HUD and USDA housing programs central to HFAs' missions. These bills would expand the supply of affordable housing and lower costs through streamlined regulations, common-sense program reforms, and new flexible financing options.

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<sup>1</sup> NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

Congress considers major affordable housing legislation such as this infrequently, thus, it is essential that the final legislation include the most critical aspects of both bills. Though there is some overlap between the bills, several of the most important provisions under consideration are in one bill but not the other. As you seek to reconcile their differences and pass final legislation, we urge you to ensure the following provisions—those we believe to be most impactful—are included in the ultimate outcome.

**Strengthening the HOME Investment Partnerships Program  
(ROAD to Housing Sec. 502; Housing for the 21<sup>st</sup> Century Sec. 201)**

For more than three decades, the HOME Investment Partnerships (HOME) program has been one of the most effective and flexible tools state and local governments have to meet their affordable housing needs, including rental home production and preservation, single-family home construction, home rehabilitation, and tenant-based rental assistance. Congress has not made meaningful changes to improve or reauthorize HOME since the 1990s, and there is much that should be done to make this—HUD’s flagship affordable housing production program—far more effective. We urge you to include all modifications in Section 502 of ROAD to Housing and Section 201 of Housing for the 21<sup>st</sup> Century.

Many key enhancements to HOME are included in both bills, such as the elimination of the duplicative and outdated 24-month commitment deadline, establishment of protections for active-duty service members so they may sell their homes in the event of deployment, and adjustments to the Community Housing Development Organization requirements to enable additional nonprofit organizations to qualify as eligible partners for state and local participating jurisdictions. However, it is important you also maintain the following provisions that appear in only one chamber’s bill:

- Only the ROAD to Housing Act reauthorizes HOME, increases administration fees so states and local governments can better cover their own costs to run the program, simplifies HOME’s homeownership resale rules, and streamlines the property inspection regime for HOME-assisted properties.
- Only the Housing for the 21<sup>st</sup> Century Act would streamline Section 3 requirements for HOME, expand eligibility to more households for HOME homeownership assistance, and direct HUD to evaluate and improve its Build America, Buy America (BABA) rules to mitigate the substantial cost increases and delays caused by BABA.

We were disappointed the final version of the Housing for the 21<sup>st</sup> Century Act did not include a full exemption from BABA requirements for HOME as had been in the previous version that passed the House Financial Services Committee. This exemption had been championed by Housing and Insurance Subcommittee Chairman Mike Flood and Ranking Member Emanuel Cleaver, who took this step after hearing from housing providers and program administrators about the enormous barrier to production BABA has become.

While much could and must be done to improve and simplify BABA compliance, it will take significant time to put new guidance in place. Meanwhile, we face an affordable housing crisis, and BABA

is handicapping the most important production program at HUD. At a minimum, we urge you not only to incorporate the Housing for the 21<sup>st</sup> Century Act's direction to the HUD Secretary to review and improve BABA implementation requirements, but also to add language in the final bill directing the Secretary to temporarily pause BABA implementation for HOME until HUD completes the review and establishes a more functional BABA waiver system.

**Raising the Public Welfare Investment Cap**  
**(ROAD to Housing Sec. 205; Housing for the 21<sup>st</sup> Century Sec. 303)**

Both bills increase the cap on banks' "public welfare investments," a category that includes Housing Credits, from 15 percent of a bank's capital and surplus to 20 percent. Some banks currently are bumping up against their 15 percent cap and thus are prevented from increasing their public welfare investments. The adjustment to 20 percent would support a robust investor market for Housing Credits by increasing liquidity in these markets. Congress recently acted to increase affordable rental housing production through the Housing Credit program in the One Big Beautiful Bill Act, making it even more important to facilitate additional investment in Housing Credit developments.

**Facilitating Housing Preservation in Rural Areas**  
**(ROAD to Housing Sec. 503)**

The ROAD to Housing Act enacts a series of reforms to Rural Housing Service programs, including codifying a pilot program that allows decoupling of rental assistance from maturing Section 515 mortgages to ensure these properties do not lose rental assistance when their mortgages are paid off. Without rental assistance contracts, many of these developments cannot attract private investment desperately needed for recapitalization and rehabilitation and are likely to be lost from the inventory. While the Housing for the 21<sup>st</sup> Century Act includes other more modest modifications to USDA housing programs, we strongly urge you to include the decoupling provision from ROAD in the final legislation to support rural communities.

**Streamlining Environmental Review Requirements**  
**(ROAD to Housing Sec. 208; Housing for the 21<sup>st</sup> Century Sec. 104)**

The existing National Environmental Policy Act protocol for environmental reviews unnecessarily creates obstacles to production when using federal affordable housing programs. We greatly support the simplifications included in both bills that will reduce unnecessary environmental review requirements. These would help to reduce costly delays and spur the development of more affordable housing.

**Stabilizing Manufactured Housing Communities**  
**(ROAD to Housing Sec. 304)**

The ROAD to Housing Act permanently reauthorizes the PRICE program, currently a temporary pilot program that has worked to preserve, maintain, and stabilize manufactured housing communities. Such financing would ensure these communities remain an affordable housing option for working families, particularly in rural and other underserved markets.

**Providing Resources for Home Repairs  
(ROAD to Housing Sec. 204)**

The ROAD to Housing Act authorizes HUD to establish a five-year pilot program to provide grants to nonprofits, as well as state, local, and tribal governments, to offer grants and forgivable loans to low- and moderate-income homeowners and qualifying small landlords to address home repair needs and health hazards for single-family homes occupied by low-income households. A repair program like this could make the difference between a family being able to remain in their home or being forced to move and lose their most important asset.

**Overcoming Local Barriers to Housing Development  
(ROAD to Housing Sec. 203; Housing for the 21<sup>st</sup> Century Sec. 101)**

Both bills direct HUD to publish voluntary best practices and guidelines for state and local zoning codes and land-use policies, helping communities identify and overcome barriers to housing development. Such guidelines would support local decision-makers as they consider changes to stimulate production, such as eliminating parking minimums, modifying building standards to allow more types of housing, and facilitating housing options such as accessory dwelling units.

Thank you again for your work to get the bills to this point in the process. Now, it's time to finish the job by finalizing and passing this historic legislation. The American people need and deserve a housing delivery system that works to reduce costs and buttress supply. Housing Finance Agencies and their private-sector and nonprofit partners rely on these federal affordable housing programs to serve the people of their states, and statutory improvements to make sure they are functioning in the most efficient manner possible are essential. We strongly urge Congress to pass a final bill that enacts the provisions from the Road to Housing Act and Housing for the 21<sup>st</sup> Century Act, particularly those outlined in this letter.

Sincerely,



Stockton Williams  
Executive Director