



## Summary

Congress is considering the most consequential package of housing legislation in a generation. The U.S. Senate and House of Representatives have each passed separate versions this year. Summarized here is the bipartisan amendment to the [21<sup>st</sup> Century ROAD to Housing Act](#), which passed the House (396-13) on May 20, 2026.

The Real Estate Roundtable issued a [statement](#) expressing strong support for the House's most recent version. Over [250 groups](#) likewise endorse the amendment.

This fact sheet provides a "top line" summary of the measure's key provisions relevant to owners, developers, and financiers of single- and multi-family rental homes.

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## Single-Family Rental (SFR) and Build-to-Rent (BTR) Homes

### Eliminates the Senate's unconstitutional "forced sale" of BTR homes

- Prior Senate bill would have forced large investors to sell BTR properties after 7 years.
- RER maintains any law mandating that a private property owner must sell their home to another private owner violates the Fifth Amendment's Takings Clause.
- A [white paper](#) from leading U.S. Supreme Court advocate Paul Clement confirmed such a "forced sale" would pose a "triple threat" to the U.S. Constitution.
- The House accordingly dropped the Senate's "forced sale" provision.

### Generally bans Large Institutional Investors (LIIs) from purchasing SFRs.

- ***In a nutshell:***
  - The bill encourages large investors to create new housing supply – but steers them away from competing with families to buy existing homes.
  - Notably, existing stock in an LII's rental portfolio is "grandfathered." It can be sold to another LII and is not subject to the "purchase ban." (See more "exceptions," below)
  - Financing and investing in new rental home construction is not prohibited or discouraged.
- LIIs defined as for-profit entities owning at least 350 single-family homes.
- Penalty for violating the purchase ban: \$1M per violation, or 3x purchase price of the home, whichever is greater.
- LII purchase ban would take effect 6 months after enactment, and be repealed in 15 years

### The LII "purchase ban" has numerous exceptions. The ban does not apply to homes that are:

- Newly constructed or renovated, or new rental conversions, for individual purchase
- Newly constructed BTR units
- "Substantially rehabilitated" in a "renovate to rent" program – so distressed housing can be modernized, brought "up to code," and returned to productive use
- Part of programs designed to help renters become homeowners



## Key Issues for Single- and Multi-Family Rental Businesses

### *21st Century ROAD to Housing Act*

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- Re-possessed by an LII to satisfy previously contracted debt
- Foreclosed upon by a lender, mortgage servicer, or other entity that has the legal right to take back the home for “loss mitigation”;
- “Grandfathered” – that is, existing SFR units owned by an LII on the date of enactment
- Purchased by LIIs – from non-LIIs – within a 2½ year “grace period” after the law is enacted
- New, renovated, or rental conversions part of “over 55” communities

#### **“On the lookout” for implementing regulations**

- HUD (with Treasury, SEC, and FHFA) directed to issue regulations to implement the LII “purchase ban” and exceptions – in a manner to mitigate “negative impacts on consumers and communities.”
  - No regulations may undermine the goal of increasing supply of homes “available to individual households for purchase.”
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## Manufactured Housing

### **Not subject to the LII “purchase ban.”**

- “Manufactured homes” are expressly excluded from the purchase ban’s definition of “single-family home”
- LIIs can thus purchase and/or build manufactured homes without limitation and make them available for rent.

### **Eliminates the federal HUD code’s “chassis rule” – a relic of the mobile home era.**

- “Manufactured homes” are built in their entirety offsite in a factory – and then moved in their entirety to the housing site.
- House bill dispenses with the requirement that manufactured homes must be built and remain on a permanent steel transport frame (or “chassis”) for HUD code compliance, or to qualify for HUD financing, insurance, and other benefits.
- Eliminating the “chassis rule” would make construction of manufactured homes cheaper, allow more flexible designs (e.g., basements), and reduce local land-use and zoning barriers.
- Without the steel undercarriage, manufactured homes will look more like site-built homes and appeal more aesthetically to a wider range of buyers and renters.

**Eliminating the steel chassis could reduce costs from \$5K-\$10K per manufactured home, by some estimates.**

### **For housing that is both “manufactured” and “modular” (components built in a factory and assembled on-site):**

- HUD must initiate a rulemaking to assess barriers to their construction financing.
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## Streamlining the Housing Choice Voucher Program (Section 8)

- **Bill includes targeted administrative reforms** intended to decrease unit inspection delays, hasten lease-ups, and attract more landlord participation.
  - Intended to reduce bureaucratic friction – but does not expand funding for more vouchers.



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- Ideally, reforms will help minimize the “lag time” when a landlord must leave a unit vacant until approved – or, “float the rent” during a period of tenant occupancy before the landlord receives voucher payment subsidies.
  - **Eliminate Duplicative Inspections**
    - Public Housing Authority (PHA) can accept an inspection conducted for purposes of another federal program (e.g., LIHTC, HOME financing) – without requiring a new inspection specifically for the voucher program.
    - The LIHTC or other inspection must have taken place within the prior year.
    - PHA would still retain authority to require a new inspection.
  - **Pre-inspection:** PHAs would be allowed to inspect units before a voucher holder decides to rent it.
  - **Remote video inspections** allowed in rural areas.
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### Federal Multifamily Lending

- Increases statutory maximum loan limits for FHA insured mortgages for construction and permanent apartment financing.
  - Higher FHA limits can mean larger government-backed loans, less mezzanine debt, and lower equity requirements.
  - Future loan limit increases tied to a formula that better accounts for multifamily construction cost inflation.
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### HUD Grants Prioritized in Opportunity Zones (“OZs”)

- Housing construction and rehab projects in designated OZs get a boost in scoring under HUD competitive grant programs.
  - However, the bill does **not** enhance or otherwise affect the underlying deferred capital gains tax benefit of housing or other projects in OZs.
  - Rather, focus is on amplifying and layering HUD affordable housing grants with existing OZ tax benefits.
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### Commercial-to-Residential Conversions

- Bill does **not** create a new federal tax credit to incentivize “adaptive reuse” projects converting underutilized office, industrial or other buildings to housing.
  - Rather, adaptive reuse tangentially benefits from other provisions, e.g.:
    - Property conversions can combine HUD grants with OZ tax-deferred gains
    - Modernized HOME investment partnership rules, so participating jurisdictions have more flexibility to use HUD funds for residential conversions.
      - Bill **does** authorize a new HUD pilot grant program for conversion projects geared to “attainable” housing (i.e., not more than 120% of AMI).
    - Grants directly to participating jurisdictions – not developers.
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### Expediting Project Approvals

- **Pre-Reviewed Housing Construction Plans**
    - HUD authorized to award grants to help communities develop pre-approved housing designs (“pattern books”) that can be used to streamline and speed-up construction approvals.
    - Eligible for “mixed income” housing at different levels of affordability.
  - **National Environmental Policy Act (NEPA)**
    - New “categorical exclusions” including those for:
      - Infill projects on a site not more than 5 acres, and already served by utilities and infrastructure; and
      - Conversions of “existing office buildings to residential use.”
    - Not every housing project requires NEPA review – but those that seek HUD grants and other federal financing typically do.
    - Environmental reviews not entirely eliminated, but no need for “full blown” NEPA review (e.g., Environmental Impact Statements) which can take months and duplicate local environmental reviews.
  - **Model Federal Land-Use and Zoning Guidelines**
    - HUD charged to develop first-ever federal land-use and zoning “guidelines” and “best practices” for states and localities.
    - HUD recommendations intended to reduce regulatory barriers to “a range of housing types at all levels of affordability.” Eg:
      - Reduce or eliminate parking minimums
      - Support ADUs
      - Allow higher-density housing: increase maximum floor area ratios and building heights; reduce minimum lot sizes and set-backs
      - Reduce obstacles to manufactured and modular housing
      - Encourage transit-oriented development
      - More “of right” zoning and approvals
    - States and localities would not be required to adopt HUD guidelines – but they could affect eligibility for discretionary federal grants and tax credits.
    - HUD to publish draft guidelines within 2 years after enactment, with opportunity for public notice and comment.
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