

TALKING POINTS & Q&A

The 21st Century ROAD to Housing Act

For Lenders, Banks & Credit Unions

Prepared for your leadership team, board, or credit committee · **[Agency Name]** · **[Presenter]** (Chief Lending Officer / Compliance) · **[Date]**

SAY THIS IN 60 SECONDS

Mortgage lenders get an FHA small-dollar pilot, new appraiser and reconsideration-of-value rules, and URLA changes on a six-month clock; community banks get brokered-deposit, exam-cycle, and de novo relief that is already law.

The Act reaches lenders from two directions. On the mortgage side, Section 105 lets FHA stand up a pilot within a year for mortgages of \$100,000 or less (lender payments, adjusted FHA terms, borrower grants), Sections 401–402 send CFPB to report on loan-originator compensation and the QM points-and-fees thresholds for small loans (due about April 7, 2027), Section 403 lets state-licensed as well as certified appraisers do FHA appraisals via a mortgagee letter due about March 8, 2027, and Section 704 requires USDA, VA, FHA and FHFA to make lenders keep reconsideration-of-value procedures. Sections 601 and 603 require FHFA to add a military-service question and VA-eligibility prompt to the URLA within six months and add a VA cost comparison to FHA's informed-consumer-choice notice.

Make it yours. Replace **[Agency Name]**, **[Presenter]** and **[Date]** in the title block, drop the questions that will not come up, and add your own local numbers. Section references (Sec. NNN) point to the enrolled text; every fact traces to a source on the web guide (reviewed on the date in the footer).

Key messages

Sec. 105 FHA Small-Dollar Mortgages. Authorizes (but does not require) HUD, through the FHA Commissioner, to launch a pilot within one year to expand access to mortgages of \$100,000 or less on one- to four-unit principal residences.

Sec. 203 Community Investment and Prosperity Act. Raises the outer ceiling on public welfare investments — the authority national banks and state member banks use for LIHTC and other community development equity — from 15 percent to 20 percent of capital and surplus.

Sec. 401 Creating Incentives for Small-Dollar Loan Originators. Orders the CFPB Director to report to Congress within 270 days on how loan originators are paid across the mortgage market — salary, fixed-percentage commission, other commission structures, volume-based pay, and capped or floored commissions...

Sec. 402 Small-Dollar Mortgage Points and Fees. Requires the CFPB, in consultation with HUD and FHFA, to evaluate within 270 days how "the thresholds under section 1026.43" of Regulation Z — the ability-to-repay and qualified mortgage rule — affect originations of mortgages under \$100,000.

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Sec. 403 Appraisal Industry Improvement Act. Modernizes appraiser rules on two fronts. For FHA: roster appraisers must be state licensed or certified (federal employee appraisers need only one state), meet the USPAP competency rule, and complete an FHA-specific education course...

Sec. 601 Military Service Question. Requires FHFA to make Fannie Mae and Freddie Mac add a short prompt to the Uniform Residential Loan Application, right below the military-service question and above the signature line: "If yes, you may qualify for a VA Home Loan. Consult your lender regarding eligibility."

Likely questions

Q1 What is the 21st Century ROAD to Housing Act, in one paragraph?

It is Public Law 119-101 — H.R. 6644 of the 119th Congress — a 12-title, 60-section federal housing law that became law on July 11, 2026. It merges the Senate's bipartisan "ROAD to Housing Act" (Scott–Warren) with the House's "Housing for the 21st Century Act" (Hill–Waters), and adds two late additions: a purchase restriction on large institutional investors (Title X) and a moratorium on a Federal Reserve central bank digital currency (Title XI). Most of it is program reform and streamlining — HOME, CDBG, RAD, vouchers, rural housing, manufactured housing, environmental review, disaster recovery, appraisals, community banking — rather than new spending. Its long title says it plainly: "An Act to increase the supply of housing in America, and for other purposes."

Q2 What does the Act NOT do?

It does not appropriate money (see the next question), does not expand or amend the Low-Income Housing Tax Credit (the LIHTC statute, IRC §42, is untouched — the 2025 LIHTC expansion came from a separate tax law), does not amend the National Housing Trust Fund, does not create new voucher funding, does not preempt state or local zoning, and does not reform Fannie Mae or Freddie Mac. It also contains no tribal title (tribes appear as eligible applicants in several programs) and no general tenant-protection package. Where it touches LIHTC at all it is indirect — for example, LIHTC units that passed inspection within the last 12 months are deemed to meet voucher inspection requirements (§405), and the bank public-welfare-investment cap rises from 15% to 20% of capital and surplus (§203). (Sec. 203, 405)

Q3 Does the Act come with money? What does §1202 mean?

No new dollars are appropriated. The Act is an authorizing statute: it creates or reshapes programs and tells agencies what to do, but the money still has to come through annual appropriations bills. Section 1202 says: "No additional funds are authorized to be appropriated to carry out the requirements of this Act or any amendment made by this Act." The one explicit dollar authorization is the Innovation Fund (§208) at \$200 million a year for FY2027–FY2031 — and even that must be funded by appropriators before a dollar moves. CBO's July 14, 2026 estimate of the enacted law found essentially no mandatory-spending effect (a net \$0 on the deficit over 2026–2036, rounded) and did not estimate discretionary spending. (Sec. 208, 1202)

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Q4 How did the Act become law without the President's signature?

Congress cleared the bill on June 23, 2026 (Senate 85–5 on June 22; House 358–32 on June 23) and presented it to the President on June 29. Under Article I, §7 of the Constitution, a bill the President neither signs nor vetoes becomes law after ten days (Sundays excepted) as long as Congress is in session — which it was. The President publicly declined to sign in protest over an unrelated bill, and the ten-day window ran out. Public Law 119-101 is dated July 11, 2026, and that is the date agencies and this hub use to compute every "days after enactment" deadline. This is not a pocket veto; a pocket veto only happens when Congress has adjourned and the bill cannot be returned.

Q5 What were the final votes, and who voted no?

The Senate agreed to the final text 85–5 on June 22, 2026 (Vote #182); the House cleared it 358–32 on June 23, 2026 (Roll Call 224) under suspension of the rules. Earlier milestones: Senate Banking Committee markup 24–0 (July 29, 2025); House passage of its own bill 390–9 (Feb 9, 2026); Senate passage of the merged text 89–10 (Mar 12, 2026); House amendment 396–13 (May 20, 2026). Every "no" on the final House vote came from Republicans, most citing the temporary rather than permanent central-bank-digital-currency ban.

Q6 Why do section numbers in older summaries not match the law?

Because the bill was renumbered as it moved. In the Senate's March 2026 text the investor restriction was §901 and the CBDC ban was §1001; in the enacted law they are §1001 and §1101, and community banking is Title IX (§§901–909). Some pre-passage explainers still use the old numbers. This hub uses only the enrolled numbering — for example §405 is the Choice in Affordable Housing Act, §505 is the new Moving to Work cohort, §212 is RAD, and §1202 is "No additional funds authorized." (Sec. 212, 405, 505, 1001, 1101, 1202)

Q7 What else is in the veterans title (§§601–603)?

Section 601 requires FHFA, within six months, to make Fannie Mae and Freddie Mac add a line to the Uniform Residential Loan Application below the military-service question: "If yes, you may qualify for a VA Home Loan. Consult your lender regarding eligibility." GAO then studies lender adoption within 18 months. Section 602 excludes VA disability benefits from HUD-VASH income eligibility. Section 603, the VALID Act, requires the FHA "informed consumer choice" disclosure to compare FHA and VA loan costs (without making lenders determine VA eligibility) and requires a Yes/No/Prefer-not-to-answer military-service question on the URLA, again via an FHFA rule within six months. (Sec. 601, 602, 603)

Q8 What does §301 change for manufactured housing, and what must states do?

Section 301 redefines "manufactured home" as one built "with or without a permanent chassis," ending the decades-old requirement that HUD Code homes sit on a permanent steel chassis. HUD, working with the Manufactured Housing Consensus Committee, must issue construction standards for chassis-free homes with a distinct label, data plate, and invoice notation. States must certify to HUD within one year (two years for states whose legislatures meet every other year) that state law treats chassis-free homes on par with other manufactured homes for financing, titling, insurance, taxes, and installation — and recertify annually; in a state that does not certify, chassis-free homes built after enactment may not be manufactured, installed, or sold. The section also says no federal manufactured-home energy standard has legal effect unless HUD adopts it, and directs HUD to adopt

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minimum energy standards within one year and update them at least every three years. HUD had separately proposed a narrower chassis rule on June 12, 2026; how it will reconcile that proposal with §301 is not yet known. (Sec. 301)

Q9 Who is covered by the institutional-investor purchase restriction in §1001?

A "large institutional investor" is a for-profit entity (fund, corporation, partnership, LLC, joint venture, and so on) engaged in whole or in part in investing in, owning, renting, managing, or holding single-family homes that — alone or in concert with others, "beginning after the date of enactment" — has direct or indirect investment control of at least 350 single-family homes, not counting homes bought in excepted purchases after enactment. Control includes owning the homes, controlling the general partner or managing member, controlling the investment manager or adviser, or holding more than 25% of any equity class (unless passive). Local, state, tribal, and federal governments and their instrumentalities — PHAs included — are expressly not covered. A "single-family home" is a structure with two or fewer dwelling units, and manufactured homes are excluded from the definition. (Sec. 1001)

Q10 What purchases are exempt from the §1001 restriction?

The statute lists "excepted purchases": (A) homes newly constructed, renovated, or converted from rental for sale by the investor; (B) build-to-rent programs where the investor builds or buys newly constructed homes to manage as rentals; (C) renovate-to-rent programs that substantially rehabilitate homes failing structural or core building-code elements and spend at least 15% of the purchase price on improvements; (D) rent-to-own homeownership programs meeting consumer-credit, opt-in positive rent-reporting, and meaningful-support conditions; (E) "boost homeownership" programs with positive rent reporting, a right of first refusal, and a 30-day first look; (F) satisfaction of debts previously contracted; (G) servicer or lender acquisitions through foreclosure, deed-in-lieu, or similar loss mitigation; (H) purchases from another large investor that held the home lawfully; (I) purchases from a non-covered investor within two years of the effective date; (J) 55-and-over communities meeting HUD visitability standards; and (K) combinations of the above. Restructurings of holdings owned on or before enactment are also excepted, and no divestiture of pre-enactment holdings is required. The Senate's earlier seven-year forced-sale rule for build-to-rent homes was removed by the House and is not in the law. There is no LIHTC- or nonprofit-specific carve-out in the enacted text. (Sec. 1001)

Watch-outs

- Sections 401–402 are studies, not rules — the Senate's CFPB rulemaking authority was dropped in the final text.
- The Act contains no GSE reform, no credit-scoring provisions, and no change to Davis-Bacon; Section 702 only adds monthly MMI Fund capital-ratio reports to Congress.
- Section 908 has an internal inconsistency (180-day review versus a 90-day deemed-approval clause) that has not been corrected as of August 2026.
- The FHA small-dollar pilot is discretionary ("may") and subject to appropriations; nothing obliges FHA to launch it.

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- Section 1101 (no Fed central bank digital currency, sunset December 31, 2030) is in the same law but has no direct lending effect.

Where to point people

Full guide, sources and tracker: aihousers.com/road-to-housing/for/lenders

H.R. 6644 — Enrolled bill text (21st Century ROAD to Housing Act) — GovInfo (GPO)

<https://www.govinfo.gov/content/pkg/BILLS-119hr6644enr/html/BILLS-119hr6644enr.htm>

BPC — What's in the 21st Century ROAD to Housing Act? — Bipartisan Policy Center

<https://bipartisanpolicy.org/explainer/whats-in-the-21st-century-road-to-housing-act/>

BPC — 21st Century ROAD to Housing Act Implementation Tracker — Bipartisan Policy Center

<https://bipartisanpolicy.org/hub/21st-century-road-to-housing-act-implementation-tracker/>

Fact sheet — large institutional investors (Title X) — Senate Banking Committee

https://www.banking.senate.gov/imo/media/doc/road_ii.pdf

Warren/Schumer letter to FHFA Director Pulte urging implementation of ROAD directives — Senate Banking Committee (Minority)

https://www.banking.senate.gov/imo/media/doc/2026.07.26%20Letter_Pulte%20Affordability%20Follow%20Up%20v2.pdf

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