

# Commercial/Multifamily Policy Dashboard – May 2026

Category	Summary
<b>Banking Agencies &amp; Securities Regulators</b>	<ul style="list-style-type: none"><li>• <b>Basel III.</b> On Thursday, March 19<sup>th</sup>, 2026 the Federal Banking Agencies requested comment on proposals to modernize the regulatory capital framework and maintain the strength of the banking system. Comments are due to the Federal Banking Agencies by June 18, 2026. MBA’s summary can be found <a href="#">here</a>. If you would like to join MBA’s Basel III working group, please feel free to contact MBA staff.</li></ul>
	<ul style="list-style-type: none"><li>• <b>Economic Growth and Regulatory Paperwork Reduction Act.</b> On October 23<sup>rd</sup>, 2025, MBA submitted a comment letter on behalf of our members to the Federal Banking Agencies pursuant to the NPR on Regulatory Publication and Review Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996. The letter can be viewed <a href="#">here</a>. In March, MBA spoke before the Federal Reserve’s public meeting, and highlighted areas where regulations are hindering depositories, including: the Community Reinvestment Act (CRA), outdated bank capital requirements, Supervisory Guidance pertaining to CRE lending, and nuances surrounding FR Y-14 reporting.</li></ul>
	<ul style="list-style-type: none"><li>• <b>SEC Rule 17g-5.</b> On November 13<sup>th</sup> 2025, MBA signed onto a joint-trades petition for rulemaking to amend SEC Rule 17g-5. The petition for rulemaking can be viewed <a href="#">here</a>. On February 9<sup>th</sup> 2026, the SEC formally acknowledged receipt of the petition.</li></ul>
	<ul style="list-style-type: none"><li>• <b>Exchange Act Rule 15c2-11.</b> On Monday, March 16<sup>th</sup>, 2026 the SEC proposed amendments to Exchange Act Rule 15c2-11. The proposal would clarify regulatory obligations when publishing quotations and affirm that Rule 15c2-11 applies to equity securities. MBA would like to solicit member feedback on this important issue. The comment period is open for 60 days after publication in the Federal Register.</li></ul>

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<b>Banking Agencies and Securities Regulators (continued)</b>	<ul style="list-style-type: none"><li>• <b>Community Reinvestment Act.</b> On Monday, August 18<sup>th</sup>, 2025 the MBA submitted a comment letter on behalf of our members. In the letter, we urge the Agencies periodically publish an illustrative list of CRA-qualifying Community Development activities and provide a process for banks to obtain pre-approval for Community Development activities that are not on the list. Other proposed clarifications include that purchased loans are treated similarly as originated loans and that small balance loans are granted CRA qualification. The comment letter can be viewed in its entirety <a href="#">here</a>.</li></ul>
<b>CFPB</b>	<ul style="list-style-type: none"><li>• <b>Small business reporting.</b> In May 2026, CFPB finalized a rule to change the 1071 reporting requirement. They raised the origination threshold from 100 to 1,000 covered credit transactions for each of two consecutive years and the gross annual revenue threshold in the rule’s definition of small business from \$5 million or less to \$1 million or less. MBA strongly supports this update, which eliminates reporting requirements for most commercial loans. MBA continues to advocate for clarification that all investment properties should be excluded from §1071 reporting.</li></ul>
	<ul style="list-style-type: none"><li>• <b>HMDA.</b> In October 2022, a US District Court ruled that the HMDA reporting threshold must be decreased from 100 to 25 closed-end loans. In December 2022, the CFPB provided guidance, updating the threshold to 25 closed-end loans. As part of the December 2025 comment letter on 1071, MBA urged CFPB to undertake rulemaking to revise the HMDA rules to exempt business to business loans from reporting. MBA sent a subsequent letter in March 2026 to the CFPB urging them to eliminate commercial real estate from HMDA reporting.</li></ul>
<b>Tax Policy</b>	<ul style="list-style-type: none"><li>• <b>Tax policy.</b> In July 2025, Congress passed the One Big Beautiful bill, including significant tax provisions related to the expiration of the Tax Cuts and Jobs Act of 2017. MBA’s wins in the new law include making permanent the qualified business income deduction, allowing 100% bonus determination and full expensing, permanent changes to the LIHTC program, making the Opportunity Zone program permanent, and reinstating EBITDA for the calculation of business income.</li></ul>

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<b>Property Insurance</b>	<ul style="list-style-type: none"><li>• <b>Availability and Cost of Insurance.</b> The availability and cost of property insurance are becoming increasingly difficult across many states. While both FHFA and FHA have held a help symposium about insurance costs, only small policy changes were made. MBA held its annual Insurance Conclave in October 2025 to discuss solutions like blanket policies, liability insurance, and state incentive programs. In 2026, the <a href="#">Insurance Conclave</a> will be held in Chicago from October 4-6.</li></ul>
	<ul style="list-style-type: none"><li>• <b>National Flood Insurance Program (NFIP).</b> MBA continues to work with Congress to make changes to the NFIP program, as it applies to commercial real estate. First, the insurance caps must be raised for the program, from the current limits of \$500,000. Second, we are asking to remove the mandatory purchase requirement. This would allow businesses to manage flood risk through their own underwriting and financial strategies.</li></ul>
	<ul style="list-style-type: none"><li>• <b>Terrorism Risk Insurance Program (TRIA).</b> The federal backstop for terrorism-related losses is authorized through December 31, 2027. MBA is seeking a long-term authorization to be passed in 2026 to limit any lapses in coverage. There is legislation in both the House (H.R. 7128) and Senate (S. 4395) for a seven-year extension, with minimal changes to the program.</li></ul>

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## Summary

### FHA/HUD

- **Energy Efficiency Building Codes.** In April 2024, HUD and the Department of Agriculture published a final rule to adopt new energy efficiency standards for all HUD and USDA loans, grants and mortgage insurance programs that required compliance with the International Energy Conservation Code (IECC) from 2021 and ASHRAE 90.1. Following MBA advocacy, a court decision, and a reconsideration by the agencies, HUD and USDA rescinded the requirements on May 1, 2026.
- **Environmental Requirements.** The 2020 MAP Guide included a number of environmental requirements that did not reflect the risk of the project but instead fulfilled other policy goals of the Department and Administration. Following extensive advocacy by MBA and its members, on May 4, 2026, HUD published Mortgagee Letter 2026-04, updating and limiting requirements on railroad vibration, pressurized pipelines, fall hazards and high voltage power lines and noise. These changes will reduce the costs of housing and focus HUD reviews on issues that impact marketability and viability of housing development. MBA will continue to work with HUD on other changes including those related to migratory birds, choice limiting actions, site preparation and more
- **Floodplains.** Beginning January 1, 2025, HUD's final rule to significantly increase the Minimum Property Standards for Flood Hazard Exposure; and the Building to the Federal Flood Risk Management Standard went into effect. MBA has strongly urged HUD and the Administration to withdraw the proposal, which significantly increases elevation requirements in expanded floodplain areas. In February, the rule was withdrawn for single-family homes, but the multifamily requirement is still in place. MBA will continue to fight this proposal, which has a significantly negative impact on new construction and rehabilitation of existing properties.

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<b>FHA/HUD (continued)</b>	<ul style="list-style-type: none"><li>• <b>FHA Statutory Limits.</b> In both the House and Senate, there are bipartisan bills to increase the Federal Housing Administration (FHA) multifamily statutory loan limits. These limits have not been changed since 2003. These bills, H.R. 6132 and S. 1527 amend the National Housing Act to raise the multifamily statutory loan limits and updates the inflationary adjustment index from the Consumer Price Index (CPI) to the Price Deflator Index of Multifamily Residential Units Under Construction (published by the Census Bureau). Versions of the bills have been incorporated into the 21<sup>st</sup> Century ROAD to Housing bill, which passed the Senate. However, there was a drafting error. MBA is working with the House to fix the language before the bill moves in the House.</li></ul>
	<ul style="list-style-type: none"><li>• <b>Davis Bacon.</b> In May 2025, MBA and a coalition of real estate associations <a href="#">submitted a letter</a> to Secretary Turner of the Department of Housing and Urban Development (HUD) and Secretary Chavez-DeRemer of the Department of Labor (DOL) urging them to repeal and revise the August 23, 2023, final rule, “Updating the Davis-Bacon and Related Acts Regulations” (“Davis-Bacon rule”). The letter calls for immediate suspension of the Biden-era rule, citing its negative impact on affordable housing production and financing. Changes being sought include split wage decisions, timing of the determination of wages, and updating the definition of residential structures. The current Davis-Bacon rule increases development costs for affordable housing by 10-20%, complicates project execution, and deters contractor participation.</li></ul>
	<ul style="list-style-type: none"><li>• <b>232 Healthcare Loans.</b> In June, HUD announced a new “express lane” for 232 properties. Properties that qualify can move to the front of the queue and receive expedited processing. Qualifications include a maximum of 70% loan to value, an experienced operator, a mortgage amount of \$50 million or less (high cost exceptions allowed around NYC), and a Firm Commitment decision must be able to be made immediately upon submittal.</li></ul>

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<b>FHFA and GSEs</b>	<ul style="list-style-type: none"><li>• <b>Multifamily Caps.</b> The 2026 multifamily caps are \$88 billion each, with a requirement that 50% be “mission-driven,” and recognition of cost-burden areas and some green lending. Also, loans classified as supporting workforce housing properties with self-imposed restrictions by the borrower are exempt from the caps.</li></ul>
	<ul style="list-style-type: none"><li>• <b>Affordable Housing Goals.</b> In December 2025, FHFA finalized the affordable housing goals for 2026-2028. The benchmark levels did not change from the 2025 goals, which recommended for each of the three years are 61% of annual loan acquisitions (in units) for the low-income goal (80 AMI), 14% for the very low-income subgoal (50 AMI), and 2% for the small multifamily low-income subgoal (80 AMI).</li></ul>
<b>FHFA and Federal Home Loan Banks</b>	<ul style="list-style-type: none"><li>• <b>Expanding Access to Liquidity for FHLB.</b> In January 2025, FHFA published a final rule to improve access to liquidity for the Federal Home Loan Bank (FHLBank) System by adjusting the treatment of certain short-term FHLBank investments. Currently, overnight federal funds are excluded from the more restrictive “general limit” on unsecured credit to a single counterparty and are limited by the higher “overall limit.” To provide additional liquidity, this final rule adds interest-bearing deposit accounts (IBDAs) and other authorized overnight investments to that exclusion, which may provide greater flexibility and improved cost to yield than overnight federal funds. This rule became effective in April 2025.</li></ul>

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<b>State and Local Advocacy Efforts</b>	<ul style="list-style-type: none"><li>• <b>Providence Rent Control.</b> In April 2026, Providence (RI) Mayor Brett Smiley <a href="#">vetoed</a> a proposed rent control law that had been twice approved by the City Council. Ahead of the Council’s vote, MBA and the Rhode Island Mortgage Bankers Association (RIMBA) sent a letter to Mayor Smiley endorsing his stance opposing the policy and his public vow to veto the measure. The language approved by the Council would have imposed 4% annual caps on selected multifamily properties and created a Rent Regulation Board for adjustments.</li></ul>
	<ul style="list-style-type: none"><li>• <b>Greenhouse Gas Emissions.</b> In April 2026, MBA and the California MBA (CMBA) submitted detailed <a href="#">comments</a> to California's Air Resources Board (CARB) on the SB 253 pre-rulemaking workshop, advocating for practical adjustments to ensure climate disclosures are reliable and cost-effective for financial institutions. The letter urges CARB to: provide flexibility in Scope 3 emission requirements by aligning with existing global standards; unify deadlines with a single December 31, 2026 reporting date; recognize a de minimis threshold on reporting; use a phased in approach; and permit GHG Protocol-consistent methods and emission factors, with thoughtful disclosures rather than prescriptive lists.</li></ul>
	<ul style="list-style-type: none"><li>• <b>Unlocking Underutilized Land.</b> In March, Colorado enacted an MBA-supported bill, which will require local governments to allow residential development on certain qualifying properties. The law will help expand opportunities for financing new housing projects while also underscoring the growing role states are playing in shaping local development policy.</li></ul>