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MORTGAGE BANKERS ASSOCIATION

March 11, 2026

The Honorable John Thune  
Majority Leader  
United States Senate  
511 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Tim Scott  
Chairman  
Committee on Banking, Housing,  
and Urban Affairs  
524 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Elizabeth Warren  
Ranking Member  
Committee on Banking, Housing,  
and Urban Affairs  
524 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Leader Thune, Leader Schumer, Chairman Scott, and Ranking Member Warren:

On behalf of the Mortgage Bankers Association (MBA)<sup>1</sup>, I write to comment on the *21<sup>st</sup> Century ROAD to Housing Act*, which represents a positive effort to help boost housing supply, expand affordable homeownership for families, reduce unnecessary regulatory burdens, and embrace modern manufactured and modular housing.

MBA *supported* both individual proposals (S. 2651 and H.R. 6644, respectively) that led to the formation of the current bill (H.R. 6644, as amended) now progressing through the full Senate. As you continue debate on the package in its current form, MBA asks that you consider our views regarding specific sections of the legislation and, in several instances, act to further refine and improve the legislation, as suggested:

**Section 213 – FHA Multifamily Loan Limits**

MBA strongly *supported* this section during its prior consideration by both the House and Senate. Just this past month, the full House updated the *statutory* loan limits for Federal Housing Administration (FHA) mortgage insurance for residential multifamily construction for the first time since 2003 to better reflect current costs, while also providing for the use of a more appropriate inflation adjustment formula/index for setting those limits going forward. Changes of this sort would immediately help leverage private investment to expand affordable multifamily housing supply more efficiently.

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<sup>1</sup> The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 390,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: [www.mba.org](http://www.mba.org).

The Senate Banking Committee's original *ROAD to Housing Act*, passed unanimously by that panel last summer, required FHA to *study* the outdated current multifamily loan limits and report to Congress on both their appropriateness and the adoption of a new inflation adjustment index. It also granted FHA rulemaking authority to adjust those loan limits to better match housing market conditions and costs and enhance affordability pending the results of the study.

Unfortunately, the negotiated language of this section within the floor managers' Amendment in the Nature of a Substitute (ANS) contains drafting errors that would oblige FHA to actually **decrease** the loan limits to levels **below** those calculated by HUD staff under current law authorities, thereby negating the underlying purpose of the section as introduced – and as negotiated by the respective House and Senate authorizing committees this year and last. **MBA cannot support this section in its current form – and urges HUD, the White House, and House and Senate leaders to continue conversations aimed at swift action to correct these drafting errors – or pass freestanding legislation – to fulfill the provision's original intent.**

#### **Section 503 – Rural Housing Service (RHS) Reforms**

MBA *supports* this section, which enacts reforms to the United States Department of Agriculture (USDA) RHS loan program, including vital information technology upgrades, improving lending for Accessory Dwelling Units (ADUs), and making prospective USDA home loans assumable. MBA is also pleased that this section's language has been refined to allow for appropriate fees to borrowers for transaction costs associated with the assumption of a USDA loan. **MBA supports this section as modified.**

#### **Section 704 – Appraisal Modernization Act**

Within the Senate's prior *ROAD to Housing* proposal (S. 2651), MBA *opposed* this section as the previous text would have mandated specific appraisal-related processes that, if enacted, would limit the ability of lenders to best serve their customers during changing market conditions. That prior section would have amended the *Truth in Lending Act* (TILA) to require mortgage lenders to maintain procedures to allow for consumer-initiated requests for second appraisals, or reconsiderations of value (ROV) – and held problematic legal and operational implications by creating significant new liability for lenders attempting to comply with the ROV process.

MBA is now pleased that this section, as currently drafted within the ANS, has replaced the prior text with language that directs the federal housing agencies to implement a ROV process (in keeping with current Fannie Mae and Freddie Mae procedures) through regulation – without imposing punitive penalties or *TILA* liability on lenders. **MBA supports this section as modified.**

#### **Section 901 – Institutional Investor Ban to Purchase of Single-Family Housing**

MBA is concerned about the unintended consequences of policies contained within this section, specifically pertaining to long-term investment in the rental housing market. As drafted, Section 901 would preclude firms owning more than 350 units from purchasing additional units. Although there are carve-outs for certain types of build-to-rent transactions, they come with a requirement to dispose of those holdings after seven years – with *existing previously* built-to-rent properties not explicitly excepted.

Moreover, the definition of “single-family home” could be read to include rental townhome communities and other attached units. As currently drafted, MBA believes the provision would constrain capital for rental housing – especially for build-for- and built-to-rent housing communities. Policies intended to curtail institutional investment in single-family housing should not preclude renters from having access to housing options that may work best for their individual families. **MBA cannot support the language of this section in its current form – and urges the following changes to Section 901:**

**On page 288, insert before line 1:**

“(L) Purchased as a community of five or more contiguous rental units.”

“(M) Purchased with support from the programs described in Section 42 of the Internal Revenue Code, or another affordable housing program in which rents are restricted.”

**On page 293, line 18, strike the following:**

“(A), (B), or”

**On page 294, lines 5–6, strike the following:**

“(A), (B),”

### **Additional Concerns**

MBA continues to have reservations about **Section 602** (the prior “VALID” Act) of the ANS, which amends FHA’s Informed Consumer Choice Disclosure – which provides a price comparison between FHA and GSE products – to also include a comparison on VA Home Loan program pricing. While MBA supports this section’s intent, the prescribed steps, if enacted, will be costly to implement and are unlikely to result in any additional VA loan issuance given the processes lenders already have in place to inform consumers of their choices well before reading Uniform Residential Loan Application (URLA) documents.

MBA also has significant concerns with the new provision in **Section 101** of the ANS which would require servicers on all government-backed loans (FHA, VA, RHS and PIH Section 184) to offer “foreclosure mitigation” counseling to all borrowers that become 30-days delinquent. The provision further requires the FHA Mutual Mortgage Insurance Fund (MMIF) to cover the costs of this counseling not only for FHA, but for the other agencies.<sup>2</sup> Expenditures from the MMIF are limited to activities necessary to conduct the FHA single-family insurance program. Using the MMIF to pay for counseling for other agency programs does not appear to be permissible or wise.

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<sup>2</sup> The provision conflicts with Section 202 of the *National Housing Act* that establishes the MMIF and limits expenditures from the fund to paying insurance claims, loss mitigation and property disposition expenses *related only to FHA-insured loans*.

## Conclusion

MBA had hoped to enthusiastically support the ANS to the 21<sup>st</sup> Century ROAD to Housing package, as the proposal contains many beneficial reforms long supported by the association. However, for the reasons indicated above, **MBA cannot yet support the full ANS in its current form. We urge the Senate and the administration to continue working with the House to further refine and improve this important legislation.**

We look forward to the opportunity to collaborate further with you, your staff, and other key stakeholders to improve this significant package before it reaches President Trump's desk for signature.

Thank you in advance for the consideration of the detailed views expressed within this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Killmer", with a long horizontal flourish extending to the right.

Bill Killmer  
Senior Vice President  
Legislative and Political Affairs

cc: All Members of the United States Senate