



THE HOUSING FOR THE 21ST CENTURY ACT EXPLAINED

A Plain-English Guide for Real Estate Professionals, Developers, Lenders,
Policymakers, and Community Leaders

H.R. 6644 - 119th Congress

(House Bill 6644, introduced during the 119th United States Congress)

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Prepared for public education and policy discussion

PUBLICATION PURPOSE

Housing policy affects nearly every part of the real estate industry. It influences what can be built, where it can be built, how quickly a project can move forward, how development is financed, who can qualify for a mortgage or rental assistance, and whether communities can preserve the housing they already have.

Yet major federal housing legislation is often written in language that is difficult for professionals and members of the public to interpret.

This guide translates the Housing for the 21st Century Act into plain English. It is designed to help real estate professionals, developers, lenders, government officials, housing providers, nonprofit organizations, and residents understand:

- what each section proposes;
- which federal programs would be changed;
- who could be affected;
- where the legislation may create opportunities;
- what implementation questions remain;
- what concerns or tradeoffs should be considered; and
- how the legislation could affect housing and real estate markets in Wisconsin.

This guide is intended for educational purposes. It does not provide legal, financial, lending, tax, or investment advice.



IMPORTANT LEGISLATIVE STATUS

The Housing for the 21st Century Act is federal legislation identified as H.R. 6644 in the 119th Congress.

The House of Representatives passed the bill, as amended, on February 9, 2026, by a vote of 390 - 9. The bill was received in the Senate on February 11, 2026. As of the publication of this guide, it has passed the House but has not completed the remaining steps required to become federal law.

The remaining path looks like this:

House passes bill → Senate must act → House and Senate must agree on text → President receives bill → President signs it (or Congress overrides a veto) → Law

Therefore, this guide explains what the House-passed bill would do if enacted. It should not be presented as current law unless Congress subsequently passes it and the President signs it.

EXECUTIVE SUMMARY FOR REAL ESTATE PROFESSIONALS

What is the Housing for the 21st Century Act?

The Housing for the 21st Century Act is a broad federal housing and banking proposal intended to increase housing production, modernize existing federal programs, improve housing finance, protect certain borrowers and assisted households, increase oversight of housing providers, and strengthen smaller financial institutions.

It is not a single housing construction program.

Instead, it combines 38 separate policy provisions covering issues such as:

- zoning and land-use guidance;
- standardized housing designs and pattern books;
- single-stair or point-access apartment buildings;
- federal environmental reviews;
- FHA multifamily loan limits;



- workforce housing research;
- the HOME Investment Partnerships Program;
- Community Development Block Grants;
- affordable-housing planning grants;
- rural home-repair assistance;
- Housing Choice Vouchers;
- manufactured housing;
- small-dollar mortgages;
- bank community-development investments;
- veterans' disability benefits;
- mortgage applications for military borrowers;
- housing counseling;
- eviction assistance;
- public and assisted housing conditions;
- public housing authority accountability; and
- community-bank and credit-union regulation.

The legislation's central premise is that housing affordability cannot be addressed through one policy alone. Housing availability is shaped by the interaction of land use, construction costs, permitting, public funding, mortgage credit, rental assistance, infrastructure, federal regulation, financial institutions, and local implementation.

Why should real estate professionals pay attention?

Federal housing legislation may appear distant from everyday transactions, but the provisions in this bill could influence multiple stages of the real estate process.

I. Development feasibility

Changes to FHA multifamily loan limits, environmental reviews, federal funding requirements, and local planning resources could affect whether proposed developments are financially feasible.

II. Project approval timelines

Pattern books, preapproved plans, streamlined federal reviews, and zoning best-practice guidance could influence the amount of time needed to approve certain residential projects.



III. Housing inventory

Policies intended to reduce regulatory barriers or support local housing production could expand the number and variety of available homes over time.

IV. Mortgage availability

Small-dollar mortgage reforms and community-bank provisions could influence whether borrowers can obtain financing for lower-priced homes.

V. Manufactured housing

Changes to federal manufactured-housing definitions could expand the types of factory-built homes that qualify under federal manufactured-housing rules.

VI. Affordable and workforce housing

Changes to HOME, CDBG, rural housing, vouchers, and planning grants could affect the financing and preservation of housing for lower-income and moderate-income households.

VII. Local government strategy

Municipalities may gain access to planning resources, model practices, standardized designs, or grants connected to housing production.

VIII. Community-bank lending capacity

Title VI changes banking rules that affect deposits, examinations, new bank formation, failed-bank acquisitions, community banks, credit unions, and rural financial institutions. These provisions are not direct housing subsidies, but their supporters argue that stronger local financial institutions may increase the availability of community-based credit.

What the bill does not do



The bill should not be described as a complete solution to housing affordability.

It does not, by itself:

- require every local government to change its zoning code;
- guarantee that housing will become affordable;
- establish rent control;
- eliminate local planning authority;
- directly build millions of homes;
- guarantee mortgage approval;
- provide universal rental assistance;
- eliminate construction labor or material shortages;
- override every environmental review requirement;
- resolve property-tax or insurance-cost pressures; or
- guarantee that community banks will increase housing lending.

Many sections would establish guidance, studies, grants, pilot programs, regulatory changes, or administrative reforms. Their real-world effects would depend on federal rulemaking, appropriations, state and local participation, lender decisions, market conditions, and implementation.

The six major policy strategies

Strategy One: *Make housing easier to plan and build*

Title I focuses on the physical production of housing.

It addresses zoning frameworks, pattern books, point-access block buildings, federal environmental reviews, FHA multifamily financing limits, workforce housing, and residential building-code research.

For developers and municipalities, this is one of the bill's most consequential titles because it addresses the processes that occur before and during development.

The policy theory is straightforward: where housing construction is delayed by outdated rules, repetitive design reviews, limited financing or complex federal processes, targeted reforms may reduce development time and cost.



The policy question is more complicated: streamlining can improve efficiency, but communities must still protect health, safety, environmental quality, accessibility, neighborhood stability, and meaningful public participation.

Strategy Two: Modernize federal and local housing programs

Title II reforms programs used by states, municipalities, nonprofit developers, public agencies, and rural homeowners.

These include:

- the HOME Investment Partnerships Program;
- the Community Development Block Grant program;
- a proposed affordable-housing planning and implementation grant;
- USDA Rural Housing Service home-repair assistance; and
- the Housing Choice Voucher program.

This title matters to developers who use layered public financing, local governments administering federal funds, landlords who participate in voucher programs, and organizations serving rural or low-income households.

Strategy Three: Expand financing for lower-cost and alternative housing

Title III addresses manufactured housing, FHA small-dollar mortgages, and the amount banks may invest in projects that promote the public welfare.

This title responds to a persistent financing problem: lower-priced properties do not always produce lower transaction costs for lenders. A small mortgage may require much of the same underwriting, compliance and servicing work as a larger mortgage, while producing less revenue.



As a result, some households seeking to purchase modestly priced homes may have difficulty obtaining traditional financing even when they could manage the monthly payment.

Strategy Four: *Protect borrowers and assisted households*

Title IV focuses on people who are applying for housing, receiving housing assistance, facing eviction, living in assisted housing, or participating in financial-literacy and self-sufficiency programs.

The title includes provisions related to:

- veterans' disability compensation;
- VA-guaranteed mortgage awareness;
- federal agency coordination;
- Family Self-Sufficiency escrow accounts;
- housing counseling;
- eviction assistance;
- temperature monitoring in assisted housing; and
- federal studies of specific housing challenges.

This portion of the bill recognizes that housing policy is not only about production. It is also about housing stability, program access, household income, safe living conditions, and the ability to remain housed.

Strategy Five: *Increase accountability*

Title V addresses oversight of HUD officials and public housing agencies.

It would require certain HUD officials to appear before Congress and would expand public reporting, contract transparency, monitoring, and inspector-general review requirements involving public housing agencies.

For housing authorities, contractors, public officials and residents, the key issue is whether stronger transparency and oversight requirements improve performance without creating excessive administrative burdens.

Strategy Six: *Strengthen community financial institutions*



Title VI contains 13 sections related to community banks, credit unions, bank examinations, deposit rules, bank-failure procedures, new bank formation and rural financial institutions.

These sections are more technical and less directly connected to housing production than Titles I-V. **However**, community banks often finance:

- small developers;
- local landlords;
- owner-occupied commercial properties;
- small multifamily projects;
- residential rehabilitation;
- construction businesses;
- rural properties;
- neighborhood businesses; and
- borrowers who may not fit standardized national lending models.

The potential housing connection is indirect: if smaller financial institutions can retain deposits, manage regulatory costs, remain competitive and form new institutions, they may have greater capacity to extend locally informed credit.

Whether that ultimately increases responsible housing lending would depend on the institutions, markets, underwriting practices and communities involved.

THE BOTTOM LINE FOR THE REAL ESTATE INDUSTRY

The bill is best understood as a package of targeted reforms rather than one major federal housing investment.

For real estate professionals, its most immediate areas of relevance are:

1. Development approvals and design: zoning guidance, pattern books and point-access building guidance.
2. Development finance: higher FHA multifamily loan limits and broader public-welfare investment authority.



3. Public-private housing partnerships: reforms to HOME, CDBG and affordable-housing planning programs.
4. Entry-level homeownership: manufactured housing and small-dollar mortgage policies.
5. Rental markets: voucher participation, eviction assistance and public-housing oversight.
6. Rural markets: USDA home-repair programs and rural financial institutions.
7. Local lending: changes affecting community banks and credit unions.

Real estate professionals should not assume that enactment would produce immediate changes in every market. Many provisions would require federal agencies to create guidance, conduct studies, establish pilot programs, award grants or issue regulations.

The bill may nevertheless influence the direction of federal housing policy by placing housing supply, regulatory modernization, financing access and local flexibility at the center of the national conversation.

QUESTIONS REAL ESTATE PROFESSIONALS SHOULD ASK

As the legislation moves through Congress, the real estate industry should consider:

1. Which provisions could reduce development costs without weakening necessary public protections?
2. Would higher FHA multifamily limits improve project feasibility in Wisconsin?
3. Which Wisconsin municipalities would be positioned to compete for planning or pattern-book grants?
4. Could standardized designs support missing-middle, starter-home or infill development?
5. How would point-access building guidance interact with Wisconsin and local building codes?
6. Would environmental-review changes meaningfully shorten timelines for federally assisted projects?
7. Could small-dollar mortgage reforms increase financing for lower-priced homes in Milwaukee and other Wisconsin communities?
8. Would changes to voucher inspections encourage more landlords to participate?
9. How could HOME and CDBG reforms affect layered affordable-housing transactions?



10. Would manufactured-housing reforms create new housing options, or would local zoning and consumer-finance barriers remain?
11. Could community-bank reforms expand responsible lending to small developers and first-time buyers?
12. What federal appropriations would be needed before new grant programs could operate?
13. How will the benefits and risks of implementation be measured?

A NOTE ON BIPARTISANSHIP

The House passed the amended legislation by a vote of 390-9. That margin demonstrates unusually broad House support.

However, bipartisan passage does not mean that every provision is universally supported or that all stakeholders agree on implementation.

Housing legislation may attract broad support because it combines provisions favored by different constituencies. Some lawmakers may prioritize housing supply, others rural development, veterans, public-housing oversight, manufactured housing, banking regulation or local flexibility.

A responsible public guide should therefore explain both the intended benefits and the possible concerns associated with each section.

COMPLETE 38-SECTION ROADMAP

TITLE I - BUILDING SMARTER FOR THE 21ST CENTURY

Section 101 - Housing Supply Frameworks

Directs HUD to develop guidelines and best practices regarding state and local zoning and land-use frameworks that support housing production.

Core question: Can federal research and guidance encourage local housing reform without displacing local decision-making?



Section 102 - Accelerating Home Building Grant Program

Creates a grant program supporting pattern books, preapproved housing plans and related efforts intended to speed residential permitting and construction.

Core question: Can standardized, locally appropriate designs reduce approval time and lower development costs?

Section 103 - Federal Guidelines for Point-Access Block Buildings

Requires federal guidance concerning residential buildings in which units on a floor may be served by a single stairway under specified conditions.

Core question: Can single-stair design safely support smaller, more flexible multifamily buildings?

Section 104 - Unlocking Housing Supply Through Streamlined and Modernized Reviews

Changes how certain federally assisted housing and community-development activities are treated under HUD-related environmental-review requirements.

Core question: Which projects can be reviewed more efficiently without overlooking environmental or community risks?

Section 105 - Federal Housing Agency Application of Environmental Reviews

Addresses the application and coordination of environmental reviews involving federal housing agencies.

Core question: Can agencies reduce duplicative review when more than one federal housing program is involved?

Section 106 - Multifamily Loan Limits

Increases statutory limits for certain FHA-insured multifamily mortgages and changes how those limits are adjusted.



Core question: Have existing FHA limits become too low relative to modern multifamily development costs?

Section 107 - GAO Study on Workforce Housing
(GAO - U.S. Government Accountability Office)

Requires the Government Accountability Office to study workforce-housing issues.

Core question: How should policymakers define and address housing needs affecting moderate-income workers?

TITLE II - MODERNIZING LOCAL DEVELOPMENT AND RURAL HOUSING PROGRAMS

Section 201 - HOME Reform

Updates the HOME Investment Partnerships Program, including rules affecting income eligibility, administration and the use of program funds.

Core question: Can HOME become easier to administer and more responsive to current development costs while preserving affordability requirements?

Section 202 - Community Development Fund Amendments

Modifies statutory provisions connected to the Community Development Block Grant program and related community-development activities.

Core question: Will greater flexibility help communities use CDBG funding more effectively for housing and neighborhood development?

Section 203 - Grants for Planning and Implementation Associated with Affordable Housing

Establishes a competitive grant program for regional, state and local entities undertaking planning and implementation activities that support affordable housing.



Core question: Which communities have the capacity and political commitment to turn planning grants into actual housing production?

Section 204 - Rural Housing Service Program Improvements

Reforms the USDA Section 504 home-repair loan and grant program, including income eligibility and property-lien requirements.

Core question: Can rural low-income homeowners obtain needed repairs without facing unnecessary administrative or financing barriers?

Section 205 - Choice in Affordable Housing

Changes certain Housing Choice Voucher inspection and administrative practices.

Core question: Can voucher procedures be made faster and more predictable while maintaining housing-quality protections?

TITLE III - EXPANDING MANUFACTURED AND AFFORDABLE HOUSING FINANCE OPPORTUNITIES

Section 301 - Manufactured Housing Innovations

Changes the federal definition and regulatory treatment of manufactured housing, including the permanent-chassis requirement.

Core question: Could a broader definition encourage higher-quality factory-built housing and additional affordable-homeownership options?

Section 302 - FHA Small-Dollar Mortgages



Directs attention to FHA mortgage availability and lender participation for smaller-balance home loans.

Core question: Why are mortgages for lower-priced homes difficult to obtain, and what would encourage responsible lenders to offer them?

Section 303 - Community Investment and Prosperity

Raises the cap on certain bank investments intended to promote public welfare.

Core question: Will increased investment authority generate more capital for affordable housing and community development?

TITLE IV - PROTECTING BORROWERS AND ASSISTED FAMILIES

Section 401 - Exclusion of Certain Disability Benefits

Excludes certain veterans' disability compensation from income calculations used for eligibility under specified HUD housing programs.

Core question: Should disability compensation intended to address service-connected harm reduce a veteran's eligibility for housing assistance?

Section 402 - Military Service Question

Adds military-service information to the Uniform Residential Loan Application to help identify borrowers who may qualify for VA-backed mortgage options.

Core question: Are eligible veterans and service members missing VA mortgage opportunities because lenders do not identify them early enough?

Section 403 - HUD/USDA/VA Interagency Coordination



Requires greater coordination among the three major federal agencies administering housing and mortgage programs.

Core question: Can stronger federal coordination reduce conflicting rules, duplicative requirements and borrower confusion?

Section 404 - Family Self-Sufficiency Escrow Expansion Pilot Program

Creates a pilot related to escrow savings and participation in the Family Self-Sufficiency program.

Core question: Can assisted households retain and build more savings as their employment income rises?

Section 405 - Reforms to Housing Counseling and Financial Literacy Programs

Changes oversight, performance review and administration of HUD-approved housing-counseling organizations.

Core question: How can the federal government improve counseling quality while preserving access to trusted local organizations?

Section 406 - Establishment of Eviction Helpline

Creates a grant program supporting eviction-related helplines and assistance.

Core question: Can early information, referral and intervention prevent avoidable evictions and reduce court-system costs?

Section 407 - Temperature Sensor Pilot Program

Creates a pilot program for temperature sensors in public and federally assisted housing.

Core question: Can objective monitoring help enforce heating and cooling standards and protect residents from unsafe indoor temperatures?



Section 408 - GAO Studies

Requires studies concerning housing for elderly people and people with disabilities, housing near Superfund sites, and residential heirs' property.

Core question: What additional federal action may be needed to address these specialized but significant housing challenges?

TITLE V - ENHANCING OVERSIGHT OF HOUSING PROVIDERS

Section 501 - Requirement to Testify

Requires specified HUD officials to testify before Congress under certain circumstances.

Core question: Will mandatory appearances improve transparency and congressional oversight of federal housing administration?

Section 502 - Improving Public Housing Agency Accountability

Expands reporting, public disclosure and oversight involving public housing agencies, particularly agencies under receivership or federal monitoring.

Core question: How can the federal government intervene when a housing authority has persistent financial, operational or compliance failures?

TITLE VI - STRENGTHENING COMMUNITY BANKS' ROLE IN HOUSING

Section 601 - Community Bank Deposit Access

Creates a limited brokered-deposit exception for qualifying smaller banks accepting certain custodial deposits.



Core question: Can community banks gain more stable funding without creating excessive deposit or liquidity risk?

Section 602 - Keeping Deposits Local

Addresses reciprocal-deposit treatment for qualifying financial institutions.

Core question: Can local institutions retain larger customer relationships while maintaining federal deposit-insurance protections?

Section 603 - Supervisory Modifications for Appropriate Risk-Based Testing

Changes aspects of examination procedures and risk-based testing for financial institutions.

Core question: Can bank examinations be better tailored to an institution's size, business model and risk profile?

Section 604 - Tailored Regulatory Updates for Supervisory Testing

Requires or encourages additional tailoring of supervisory and examination practices.

Core question: Are smaller institutions being evaluated under processes designed primarily for larger and more complex banks?

Section 605 - Credit Union Board Modernization

Changes the required frequency of federal credit-union board meetings.

Core question: Can governance requirements be modernized without weakening board oversight?

Section 606 - Systemic Risk Authority Transparency

Adds transparency requirements involving the use of federal systemic-risk authority.



Core question: When extraordinary federal protection is used during a banking crisis, what information should be disclosed to Congress and the public?

Section 607 - Least-Cost Exception

Modifies or clarifies aspects of the least-cost requirements applied when the FDIC resolves a failing bank.

Core question: How should regulators balance the cost to the deposit-insurance fund against community impact and financial stability?

Section 608 - Failing Bank Acquisition Fairness

Addresses the process by which potential acquirers, including smaller institutions, may participate in failing-bank transactions.

Core question: Are community banks given a fair opportunity to acquire failed institutions or their assets?

Section 609 - Advancing the Mentor-Protégé Program for Small Financial Institutions

Supports a mentor-protégé framework involving smaller financial institutions.

Core question: Can partnerships with larger or more experienced institutions strengthen small, minority, rural or emerging banks?

Section 610 - American Access to Banking

Addresses federal efforts connected to access to banking services and financial institutions.

Core question: What barriers prevent communities from obtaining safe and sustainable banking services?

Section 611 - Promoting New Bank Formation



Creates or modifies regulatory processes intended to support the formation of new community banks.

Core question: Can the federal government responsibly reverse the long-term decline in the formation of new banks?

Section 612 - Rural Depositories Revitalization Study

Requires federal regulators to study the growth, capitalization, profitability and regulatory challenges of banks and credit unions serving rural areas.

Core question: What policies are preventing rural financial institutions from forming, surviving and serving their communities?

Section 613 - Discretionary Surplus Fund

Reduces a specified Federal Reserve surplus-fund amount, with the change taking effect in 2035.

Core question: How does Congress offset or account for the financial effects of the broader legislation?



HOW THE 38 SECTIONS FIT TOGETHER

Although the bill contains 38 separate sections, they can be understood through five stages of the housing system.

Stage One: Planning and permission

Sections 101 - 105 address zoning, design, permitting and federal review.

These determine whether a project can move from an idea to an approved development.

Stage Two: Development capital

Sections 106, 201 - 204 and 303 affect public funding, multifamily mortgage insurance, planning resources and community-development investment.

These determine whether an approved project can be financed.

Stage Three: Homebuyer and renter access

Sections 205, 301-302 and 401-406 address vouchers, manufactured housing, small mortgages, veterans, counseling, savings and eviction prevention.

These determine whether households can enter or remain in housing.

Stage Four: Housing quality and accountability

Sections 407-408 and 501-502 address living conditions, research, oversight and housing-provider performance.

These determine whether programs and properties are safe, accountable and responsive.

Stage Five: Local financial infrastructure



Sections 601-613 affect the financial institutions that hold deposits and extend credit in local communities.

These determine, indirectly, whether local borrowers, developers and businesses have access to responsive financial partners.

INITIAL WISCONSIN RELEVANCE

Wisconsin's housing challenges vary by region, but several provisions could be especially relevant.

Milwaukee and older urban neighborhoods

Potentially important provisions include:

- small-dollar mortgages for lower-priced owner-occupied homes;
- rehabilitation and environmental-review reforms;
- HOME and CDBG flexibility;
- eviction-prevention support;
- public housing authority accountability;
- housing counseling;
- heirs' property research; and
- community-bank lending.

Many Milwaukee neighborhoods contain housing that may be affordable based on sales price but difficult to finance because of repair needs, appraisal issues, small mortgage balances or property conditions.

Madison and high-growth communities

Potentially important provisions include:

- zoning best practices;
- pattern books;
- point-access building guidance;



- FHA multifamily loan limits;
- affordable-housing planning grants; and
- workforce-housing research.

High-demand communities face questions about density, land cost, approval timelines, infrastructure and the availability of housing for workers whose incomes are too high for deeply subsidized housing but too low for prevailing market prices.

Rural Wisconsin

Potentially important provisions include:

- USDA Section 504 home-repair reforms;
- manufactured housing;
- small-dollar mortgages;
- rural-bank and credit-union studies;
- new bank formation;
- local deposit retention; and
- workforce-housing research.

Rural housing problems may involve aging homes, limited contractors, appraisal challenges, smaller loan balances, infrastructure limitations and fewer lenders.

Smaller cities and legacy industrial communities

Communities such as Racine, Kenosha, Beloit, Janesville, Green Bay and cities in the Fox Valley may benefit from provisions involving:

- infill pattern books;
- redevelopment;
- HOME and CDBG;
- FHA multifamily lending;
- affordable-housing planning;
- small mortgages;
- manufactured housing; and
- local financial institutions.