

118TH CONGRESS
2D SESSION

S. 4824

To make housing more affordable, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 29, 2024

Ms. WARREN (for herself, Mr. WARNOCK, Mr. BLUMENTHAL, Ms. HIRONO, Mr. MARKEY, Mr. MERKLEY, Mr. SANDERS, and Mr. WELCH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To make housing more affordable, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “American Housing and Economic Mobility Act of 2024”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—MAKING HOUSING MORE AFFORDABLE

Sec. 101. Local housing innovation grants.

Sec. 102. Investing in affordable housing infrastructure.

Sec. 103. Conditions for the sale of real estate-owned properties and non-performing loans.

TITLE II—TAKING THE FIRST STEPS TO REVERSE THE LEGACY
OF HOUSING DISCRIMINATION AND GOVERNMENT NEGLIGENCE

- Sec. 201. Down payment assistance program for first-time homebuyers.
 Sec. 202. Formula grant program for communities with an appraisal gap.
 Sec. 203. Strengthening the Community Reinvestment Act of 1977.
 Sec. 204. Amendments relating to credit union service to underserved areas.
 Sec. 205. Raising public welfare caps.
 Sec. 206. Temporary eligibility of certain direct descendants of certain veterans
 for housing loans guaranteed by the Secretary of Veterans Af-
 fairs.

TITLE III—REMOVING BARRIERS THAT ISOLATE COMMUNITIES

- Sec. 301. Expanding rights under the Fair Housing Act.
 Sec. 302. Improving outcomes in housing assistance programs.

TITLE IV—ESTATE TAX REFORM

- Sec. 401. Amendment to Internal Revenue Code of 1986.
 Sec. 402. Rate adjustment.
 Sec. 403. Required minimum 10-year term, etc., for grantor retained annuity
 trusts.
 Sec. 404. Certain transfer tax rules applicable to grantor trusts.
 Sec. 405. Elimination of generation-skipping transfer tax exemption for trans-
 fers to certain persons.
 Sec. 406. Simplifying gift tax exclusion for annual gifts.
 Sec. 407. Clarification regarding disallowance of step-up in basis for property
 held in certain grantor trusts.
 Sec. 408. Limitation on discounts; valuation rules for certain transfers of non-
 business assets.
 Sec. 409. Surcharge on high income estates and trusts.
 Sec. 410. Modification of rules for value of certain farm, etc., real property.
 Sec. 411. Modification of estate tax rules with respect to land subject to con-
 servation easements.

TITLE V—ACCESSIBILITY REQUIREMENTS

- Sec. 501. Accessibility requirements.

1 **TITLE I—MAKING HOUSING**
 2 **MORE AFFORDABLE**

3 **SEC. 101. LOCAL HOUSING INNOVATION GRANTS.**

4 (a) DEFINITIONS.—In this section:

5 (1) ELEMENTARY SCHOOL; SECONDARY
 6 SCHOOL.—The terms “elementary school” and “sec-
 7 ondary school” have the meanings given those terms

1 in section 8101 of the Elementary and Secondary
2 Education Act of 1965 (20 U.S.C. 7801).

3 (2) ELIGIBLE ENTITY.—The term “eligible enti-
4 ty” means—

5 (A) a State;

6 (B) a unit of general local government; or

7 (C) an Indian tribe.

8 (3) INDIAN TRIBE.—The term “Indian tribe”
9 has the meaning given the term in section 4 of the
10 Native American Housing Assistance and Self-De-
11 termination Act of 1996 (25 U.S.C. 4103).

12 (4) INSTITUTION OF HIGHER EDUCATION.—The
13 term “institution of higher education” has the
14 meaning given the term in section 101 of the Higher
15 Education Act of 1965 (20 U.S.C. 1001).

16 (5) METROPOLITAN AREA; STATE; UNIT OF
17 GENERAL LOCAL GOVERNMENT.—The terms “metro-
18 politan area”, “State”, and “unit of general local
19 government” have the meanings given those terms in
20 section 102 of the Housing and Community Devel-
21 opment Act of 1974 (42 U.S.C. 5302).

22 (6) SECRETARY.—The term “Secretary” means
23 the Secretary of Housing and Urban Development.

24 (b) ESTABLISHMENT.—Not later than 1 year after
25 the date of enactment of this Act, the Secretary shall es-

1 establish a program to award grants on a competitive basis
 2 to eligible entities to—

- 3 (1) reform local land use restrictions to bring
 4 down the costs of producing affordable housing; and
- 5 (2) remove unnecessary barriers to building af-
 6 fordable units in their communities.

7 (c) ELIGIBLE ACTIVITIES.—An eligible entity receiv-
 8 ing a grant under this section may use funds to—

- 9 (1) carry out any of the activities described in
 10 section 105 of the Housing and Community Devel-
 11 opment Act of 1974 (42 U.S.C. 5305);

- 12 (2) carry out any of the activities permitted
 13 under the Local and Regional Project Assistance
 14 Program under section 6702 of title 49, United
 15 States Code; or

- 16 (3) modernize, renovate, or repair facilities used
 17 by public elementary schools, public secondary
 18 schools, and public institutions of higher education,
 19 including modernization, renovation, and repairs
 20 that—

- 21 (A) promote physical, sensory, and envi-
 22 ronmental accessibility; and

- 23 (B) are consistent with a recognized green
 24 building rating system.

25 (d) APPLICATION.—

1 (1) IN GENERAL.—An eligible entity desiring a
2 grant under this section shall submit to the Sec-
3 retary an application that demonstrates that the eli-
4 gible entity has carried out, or is in the process of
5 carrying out, initiatives that facilitate the expansion
6 of the supply of well-located affordable housing.

7 (2) ACTIVITIES.—Initiatives that meet the cri-
8 teria described in paragraph (1)—

9 (A) include—

10 (i) establishing “by-right” develop-
11 ment, which allows jurisdictions to admin-
12 istratively approve new developments that
13 are consistent with their zoning code;

14 (ii) revising or eliminating off-street
15 parking requirements to reduce the cost of
16 housing production;

17 (iii) instituting measures that
18 incentivize owners of vacant land to rede-
19 velop the space into affordable housing or
20 other productive uses;

21 (iv) revising minimum lot size require-
22 ments and bans or limits on multifamily
23 construction to allow for denser and more
24 affordable development;

1 (v) instituting incentives to promote
2 dense development, such as density bo-
3 nuses;

4 (vi) passing inclusionary zoning ordi-
5 nances that require a portion of newly de-
6 veloped units to be reserved for low- and
7 moderate-income renters or homebuyers;

8 (vii) streamlining regulatory require-
9 ments and shortening processes, reforming
10 zoning codes, or other initiatives that re-
11 duce barriers to housing supply elasticity
12 and affordability;

13 (viii) allowing accessory dwelling
14 units;

15 (ix) using local tax incentives to pro-
16 mote development of affordable housing;
17 and

18 (x) implementing measures that pro-
19 tect tenants from harassment and displace-
20 ment, including—

21 (I) providing access to counsel
22 for tenants facing eviction;

23 (II) the prohibition of eviction ex-
24 cept for just cause;

1 (III) measures intended to pre-
 2 vent or mitigate sudden increases in
 3 rents;

4 (IV) the repeal of laws that pre-
 5 vent localities from implementing a
 6 measure described in subclause (I),
 7 (II), or (III);

8 (V) protections against construc-
 9 tive eviction;

10 (VI) tenant right-to-organize
 11 laws;

12 (VII) a cause of action for ten-
 13 ants to sue landlords who threaten or
 14 begin an illegal eviction; and

15 (VIII) landlord-tenant mediation
 16 or other non-eviction diversion pro-
 17 grams; and

18 (B) do not include activities that alter or-
 19 dinances that govern wage and hour laws, fam-
 20 ily and medical leave laws, health and safety re-
 21 quirements, prevailing wage laws, or protections
 22 for workers' health and safety, anti-discrimina-
 23 tion, and right to organize.

24 (3) RELATION TO CONSOLIDATED PLAN.—An
 25 eligible entity shall include in an application sub-

mitted under paragraph (1) a description of how the planning and development of eligible activities described in subsection (c) may advance an objective, or an aspect of an objective, included in the comprehensive housing affordability strategy and community development plan of the eligible entity under part 91 of title 24, Code of Federal Regulations, or any successor regulation (commonly referred to as a “consolidated plan”).

(e) LABOR LAWS.—

(1) IN GENERAL.—All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with a grant received under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”).

(2) AUTHORITY AND FUNCTIONS.—With respect to the labor standards specified in paragraph (1), the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C.

1 App.) and section 3145 of title 40, United States
2 Code.

3 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to carry out this section
5 \$2,000,000,000 for each of fiscal years 2025 through
6 2029.

7 **SEC. 102. INVESTING IN AFFORDABLE HOUSING INFRA-**
8 **STRUCTURE.**

9 (a) HOUSING TRUST FUND.—Section 1338(a) of the
10 Federal Housing Enterprises Financial Safety and Sound-
11 ness Act of 1992 (12 U.S.C. 4568(a)) is amended by add-
12 ing at the end the following:

13 “(3) AUTHORIZATION OF APPROPRIATIONS.—
14 There is authorized to be appropriated to the Hous-
15 ing Trust Fund \$44,500,000,000 for each of fiscal
16 years 2025 through 2034.”.

17 (b) CAPITAL MAGNET FUND.—Section 1339 of the
18 Federal Housing Enterprises Financial Safety and Sound-
19 ness Act of 1992 (12 U.S.C. 4569) is amended by adding
20 at the end the following:

21 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
22 is authorized to be appropriated to the Capital Magnet
23 Fund \$2,500,000,000 for each of fiscal years 2025
24 through 2034.”.

1 (c) PUBLIC HOUSING CAPITAL FUND.—Section
2 9(c)(2)(A) of the United States Housing Act of 1937 (42
3 U.S.C. 1437g(c)(2)(A)) is amended to read as follows:

4 “(A) CAPITAL FUND.—For allocations of
5 assistance from the Capital Fund,
6 \$70,000,000,000 for fiscal year 2025.”.

7 (d) INDIAN HOUSING BLOCK GRANT PROGRAM.—
8 Section 108 of the Native American Housing Assistance
9 and Self-Determination Act of 1996 (25 U.S.C. 4117) is
10 amended—

11 (1) by striking “such sums as may be necessary
12 for each of fiscal years 2009 through 2013” and in-
13 serting “\$2,500,000,000 for fiscal year 2025 and
14 such sums as may be necessary for each of fiscal
15 years 2026 through 2034”; and

16 (2) by striking the second sentence.

17 (e) NATIVE HAWAIIAN HOUSING BLOCK GRANT PRO-
18 GRAM.—Section 824 of the Native American Housing As-
19 sistance and Self-Determination Act of 1996 (25 U.S.C.
20 4243) is amended by striking “such sums as may be nec-
21 essary for each of fiscal years 2001, 2002, 2003, 2004,
22 and 2005” and inserting “\$50,000,000 for fiscal year
23 2025 and such sums as may be necessary for each of fiscal
24 years 2026 through 2034”.

1 (f) RURAL HOUSING PROGRAMS.—Out of funds in
 2 the Treasury not otherwise appropriated, there is appro-
 3 priated for fiscal year 2025—

4 (1) to provide direct loans under section 502 of
 5 the Housing Act of 1949 (42 U.S.C. 1472),
 6 \$420,000,000;

7 (2) to provide assistance under section 514 of
 8 such Act (42 U.S.C. 1484), \$54,000,000;

9 (3) to provide assistance under section 515 of
 10 such Act (42 U.S.C. 1485), \$420,000,000;

11 (4) to provide assistance under section 516 of
 12 such Act (42 U.S.C. 1486), \$75,000,000;

13 (5) to provide grants under section 523 of such
 14 Act (42 U.S.C. 1490c), \$75,000,000; and

15 (6) to provide funding to carry out the Multi-
 16 family Preservation and Revitalization Demonstra-
 17 tion Program of the Rural Housing Service (as au-
 18 thorized under sections 514, 515, and 516 of such
 19 Act (42 U.S.C. 1484, 1485, 1486)), \$240,000,000.

20 (g) MIDDLE CLASS HOUSING EMERGENCY FUND.—

21 (1) DEFINITIONS.—In this subsection—

22 (A) the term “affordable rental housing
 23 unit” means a unit for which monthly rent is
 24 30 percent or less than the monthly area me-
 25 dian income; and

1 (B) the term “State” has the meaning
2 given the term in section 3(b)(7) of the United
3 States Housing Act of 1937 (42 U.S.C.
4 1437a(b)(7)).

5 (2) ESTABLISHMENT.—The Secretary of Hous-
6 ing and Urban Development shall establish and
7 manage a fund, to be known as the “Middle Class
8 Housing Emergency Fund”, which shall be funded
9 with any amounts as may be appropriated, trans-
10 ferred, or credited to the Fund under any provision
11 law.

12 (3) GRANTS.—From amounts available in the
13 fund established under paragraph (2), the Secretary
14 of Housing and Urban Development shall award
15 grants on a competitive basis to State housing fi-
16 nance agencies located in a State in which—

17 (A) there is a shortage of affordable rental
18 housing units available to individuals with an
19 income that is at or below the area median in-
20 come and median rents have risen on average
21 over the preceding 5 years substantially faster
22 than the area median income; or

23 (B) there is a shortage of housing units
24 available for sale that are affordable to individ-
25 uals with an income that is at or below the area

1 median income and median home prices have
2 risen on average over the preceding 5 years
3 substantially faster than the area median in-
4 come.

5 (4) USE OF FUNDS.—Grants received under
6 this subsection shall be used to fund—

7 (A) the construction or acquisition, by non-
8 profit organizations, State or local agencies,
9 special-purpose units of local government, resi-
10 dent councils organized to acquire housing, and
11 other qualified purchasers (as defined by the
12 Secretary), of rental housing units or units for
13 purchase that are affordable to residents mak-
14 ing less than 120 percent of the area median
15 income; and

16 (B) measures to prevent tenant displace-
17 ment and harassment, including—

18 (i) the provision of legal advice and
19 representation for tenants facing eviction;

20 (ii) enforcement of anti-harassment
21 laws;

22 (iii) emergency rental assistance; and

23 (iv) other measures as specified by the
24 Secretary of Housing and Urban Develop-
25 ment.

1 (5) LABOR LAWS.—

2 (A) IN GENERAL.—All laborers and me-
3 chanics employed by contractors or subcontrac-
4 tors in the performance of construction work fi-
5 nanced in whole or in part with a grant received
6 under this subsection shall be paid wages at
7 rates not less than those prevailing on similar
8 construction in the locality as determined by
9 the Secretary of Labor in accordance with sub-
10 chapter IV of chapter 31 of title 40, United
11 States Code (commonly known as the “Davis-
12 Bacon Act”).

13 (B) AUTHORITY AND FUNCTIONS.—With
14 respect to the labor standards specified in sub-
15 paragraph (A), the Secretary of Labor shall
16 have the authority and functions set forth in
17 Reorganization Plan Numbered 14 of 1950 (64
18 Stat. 1267; 5 U.S.C. App.) and section 3145 of
19 title 40, United States Code.

20 (6) REGULATIONS.—The Secretary of Housing
21 and Urban Development shall promulgate regula-
22 tions to carry out this subsection that include—

23 (A) the metrics that the Secretary will use
24 to determine eligibility for a grant under this
25 subsection;

(B) a requirement that grantees and subgrantees consult with impacted communities in policymaking and planning for the construction or acquisition of housing units as described in paragraph 4(A); and

(C) a requirement that all housing units constructed or acquired using grants awarded under the subsection are affordable to residents making less than 120 percent of the area median income in perpetuity.

(7) APPROPRIATIONS.—Out of funds in the Treasury not otherwise appropriated, there is appropriated to the fund established under this subsection \$4,000,000,000 for fiscal year 2025.

SEC. 103. CONDITIONS FOR THE SALE OF REAL ESTATE-OWNED PROPERTIES AND NON-PERFORMING LOANS.

(a) FINDINGS.—Congress finds that—

(1) the Federal Housing Administration, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation provide critical homeownership opportunities that greatly benefit individuals, families, and communities; and

(2) it is the purpose of this section to—

1 (A) preserve owner-occupied homes with
 2 mortgages insured by the Federal Housing Ad-
 3 ministration or purchased by the Federal Na-
 4 tional Mortgage Association or the Federal
 5 Home Loan Mortgage Corporation for contin-
 6 ued use as owner-occupied homes; and

7 (B) direct that, upon the sale of those
 8 properties or transfer of those mortgages, cer-
 9 tain percentages of those properties are sold to
 10 low- and moderate-income homeowners.

11 (b) LOANS INSURED BY THE FEDERAL HOUSING AD-
 12 MINISTRATION.—Title II of the National Housing Act (12
 13 U.S.C. 1707 et seq.) is amended by adding at the end
 14 the following:

15 **“SEC. 259. SALE OF REAL ESTATE-OWNED PROPERTIES.**

16 “(a) DEFINITIONS.—In this section—

17 “(1) the term ‘Claim Without Conveyance of
 18 Title program’ means the program of the Federal
 19 Housing Administration carried out under section
 20 203.368 of title 24, Code of Federal Regulations, or
 21 any successor regulation; and

22 “(2) the term ‘community partner’ has the
 23 meaning given the term ‘nonprofit organization’ in
 24 section 229 of the Low-Income Housing Preserva-

1 tion and Resident Homeownership Act of 1990 (12
2 U.S.C. 4119).

3 “(b) REQUIREMENT.—Not later than 1 year after the
4 date of enactment of this section, the Secretary shall de-
5 velop programs within the Federal Housing Administra-
6 tion to ensure that not less than 75 percent of the single-
7 family residential properties conveyed to the Federal
8 Housing Administration after foreclosure or conveyed to
9 third parties under the Claim Without Conveyance of Title
10 program are sold—

11 “(1) directly to an owner-occupant; or

12 “(2) to community partners that will—

13 “(A) rehabilitate or develop the property;

14 and

15 “(B) sell the property to an owner-occu-
16 pant.

17 “(c) GUIDELINES.—Not later than 1 year after the
18 date of enactment of this section, the Secretary shall de-
19 velop guidelines for the Claim Without Conveyance of Title
20 program that provide an exclusive listing period during
21 which only eligible Governmental Entities, HUD-approved
22 Nonprofit Organizations, and Owner-Occupant Buyers
23 may submit bids.

24 “(d) ANTI-PREDATORY FEATURE.—Unless the Sec-
25 retary provides prior approval, the Secretary shall prohibit

1 any purchaser of a real estate-owned property of the Fed-
 2 eral Housing Administration from reselling the property
 3 within 15 years of purchase using a land installment con-
 4 tract or through any other mechanism that does not trans-
 5 fer title to the buyer at the time of sale.

6 **“SEC. 260. SALE OF NON-PERFORMING LOANS.**

7 “(a) DEFINITIONS.—In this section—

8 “(1) the term ‘community partner’ has the
 9 meaning given the term in section 259; and

10 “(2) the term ‘covered mortgage’—

11 “(A) means any mortgage insured under
 12 this title that is secured by a single-family resi-
 13 dential property; and

14 “(B) includes the promissory note secured
 15 by the mortgage described in subparagraph (A).

16 “(b) RESTRICTION ON SALE OR TRANSFER.—Except
 17 as provided in this section, the Secretary may not sell or
 18 transfer any covered mortgage.

19 “(c) CONDITIONS FOR SALE OR TRANSFER.—

20 “(1) IN GENERAL.—The Secretary—

21 “(A) may sell or transfer a covered mort-
 22 gage only if—

23 “(i) the capital level of the Fund is
 24 substantially below the capital ratio re-
 25 quired under section 205(f)(2);

1 “(ii) the Secretary certifies that other
 2 reasonable measures are not available to
 3 restore the Fund to that capital ratio; and

4 “(iii) the Secretary complies with
 5 paragraph (2)(C), if applicable; and

6 “(B) may sell or transfer only such covered
 7 mortgages as are necessary to assist in restora-
 8 tion of that capital ratio.

9 “(2) REQUIREMENTS FOR THE SECRETARY.—

10 “(A) IN GENERAL.—If the Secretary in-
 11 tends to sell or transfer a covered mortgage, the
 12 Secretary shall provide the current borrower
 13 and all owners of record of the property secur-
 14 ing the covered mortgage, or require that the
 15 current borrower and owners of record be pro-
 16 vided, a separate written notice of the intent to
 17 sell the covered mortgage that—

18 “(i) is mailed via certified and first
 19 class mail not less than 90 days before the
 20 date on which the loan is included in any
 21 proposed sale; and

22 “(ii) includes—

23 “(I) a description of the loss
 24 mitigation options of the Federal
 25 Housing Administration that are

1 available to borrowers in financial dis-
2 tress and the obligation of servicers to
3 consider borrowers in default for those
4 options;

5 “(II) a description of the actions
6 that the servicer of the loan has taken
7 to review and implement those options
8 for the borrower; and

9 “(III) a description of the proce-
10 dures the borrower may use to contest
11 with the Secretary the compliance by
12 the servicer with that obligation.

13 “(B) JUDICIAL REVIEW.—The determina-
14 tion of the Secretary to authorize the sale of a
15 mortgage insured under this title shall be re-
16 viewable under chapter 7 of title 5, United
17 States Code, for abuse of discretion and arbi-
18 trary and capricious agency action.

19 “(C) AUCTIONS.—The Secretary may not
20 sell any covered mortgage through any type of
21 non-performing loan sale auction program until
22 the Secretary issues rules, through the notice
23 and comment rule making procedures under
24 section 553 of title 5, United States Code, that

1 address essential aspects of any non-performing
2 loan sale program, including—

3 “(i) the method of selection of loans
4 for sale;

5 “(ii) notice to borrowers prior to in-
6 clusion of the loan in a sale; and

7 “(iii) review of loss mitigation status
8 prior to the sale, selection of eligible bid-
9 ders, loss mitigation guidelines applicable
10 to loan purchasers, and reporting require-
11 ments for purchasers.

12 “(3) CERTIFICATION REQUIREMENT FOR LEND-
13 ERS AND SERVICERS.—

14 “(A) CERTIFICATION.—As a condition to
15 payment of an insurance claim under this title
16 in connection with any non-performing loan
17 sale, the lender or servicer of the loan shall pro-
18 vide the Secretary and the borrower with writ-
19 ten certification of the loss mitigation review
20 contained in the FHA Single Family Housing
21 Policy Handbook 4000.1, or any successor
22 handbook, which certification shall include a de-
23 scription of the actions the lender or servicer
24 has taken, prior to transfer of the loan to the
25 Secretary, to—

1 “(i) review the borrower for all avail-
2 able loss mitigation options of the Federal
3 Housing Administration; and

4 “(ii) implement the options described
5 in clause (i) that are appropriate to the
6 borrower.

7 “(B) FALSE STATEMENTS.—

8 “(i) IN GENERAL.—Any false state-
9 ment provided in a certification described
10 in subparagraph (A) shall be a basis for—

11 “(I) recovery by the Secretary of
12 any amounts paid under the insurance
13 claim and any other penalties and
14 sanctions authorized under Federal
15 law; and

16 “(II) a private right of action by
17 the borrower against the lender and
18 servicer, with remedies to include
19 compensatory and punitive damages
20 and an assessment of costs and attor-
21 ney’s fees.

22 “(ii) TRANSFERS.—Unless a bona fide
23 purchaser has acquired title to the prop-
24 erty as a primary residence—

1 “(I) a certification described in
 2 subparagraph (A) that contains a
 3 false statement shall be a basis for re-
 4 voking the transfer of the property;
 5 and

6 “(II) the pre-sale lender and
 7 servicer of the property shall—

8 “(aa) resume servicing the
 9 loan as a loan insured under this
 10 title; and

11 “(bb) reimburse the Sec-
 12 retary for any insurance claim
 13 paid and all costs related to the
 14 sale of the property.

15 “(4) REQUIREMENTS FOR PURCHASERS.—

16 “(A) IN GENERAL.—Each purchaser of a
 17 covered mortgage shall offer the borrower on
 18 the covered mortgage loss mitigation options
 19 that allow for payment reduction at least as
 20 great as would be available to the borrower if
 21 the loan had not been sold.

22 “(B) LOSS MITIGATION OPTIONS.—The
 23 specific formula, calculations, waterfall steps,
 24 and other terms for appropriate loss mitigation
 25 options described in subparagraph (A) shall be

published by the Secretary, made available to the public, and included in a written notice given to borrowers before any acceleration or foreclosure is initiated after a loan sale.

“(5) REQUIREMENTS FOR TRANSFEREES.—

With respect to a transferee, including any subsequent transferee, of a covered mortgage that is sold under this title—

“(A) the transferee shall certify in writing to the Secretary that the transferee will comply with the provisions of this section in the marketing and transfer of any property received in the disposition of any transferred loan;

“(B) the transferee shall provide to the Secretary records documenting that the transfers of those properties are in compliance with this section; and

“(C) the failure of the Secretary or the transferee to comply with the requirements under this section for a loan in default shall be a defense to foreclosure, and a transferee may not execute a foreclosure judgment or order of sale, or conduct a foreclosure sale, until the transferee has complied with all requirements under this section.

1 “(d) LIMITATIONS.—With respect to covered mort-
 2 gages that are sold under this title and acquired by the
 3 buyer through foreclosure sale, not less than 90 percent
 4 of the properties that are the subject of the covered mort-
 5 gages shall be—

6 “(1) sold to owner-occupants;

7 “(2) operated or transferred to an entity that
 8 will operate the property as affordable rental hous-
 9 ing for households below 80 percent of the area me-
 10 dian income for a period of not less than 15 years;
 11 or

12 “(3) transferred or donated to a nonprofit
 13 agency that is certified by the Secretary and will re-
 14 develop the property for owner occupancy or afford-
 15 able rental housing.

16 “(e) PRIORITIZATION OF SALES.—The Secretary
 17 shall implement policies, procedures, and controls to—

18 “(1) identify and recruit community partners;

19 “(2) engage in consultations with community
 20 partners before the sale of a pool of covered mort-
 21 gages under this title to determine whether that sale
 22 can be designed to meet the specific needs of the
 23 communities served by the community partners; and

24 “(3) prioritize the sale of pools of single-family
 25 mortgages to community partners by—

1 “(A) designing pools of covered mortgages
 2 for direct sale to a community partner, the
 3 price of which shall be set by the Secretary
 4 based on a pricing model that considers—

5 “(i) the current fair market value of
 6 the properties; and

7 “(ii) the potential impact of fore-
 8 closures on those properties to the value of
 9 other homes that secure mortgages insured
 10 under this title in the same census tract;
 11 or

12 “(B) in the case of an auction, if the win-
 13 ning bid is not from a community partner, per-
 14 mitting any community partner that bid during
 15 that same auction to have a final opportunity to
 16 enter a higher bid on the pool.”.

17 (c) FANNIE MAE.—Section 302 of the Federal Na-
 18 tional Mortgage Association Charter Act (12 U.S.C. 1717)
 19 is amended by adding at the end the following:

20 “(d)(1) In this subsection, the term ‘covered mort-
 21 gage’—

22 “(A) means any mortgage that is secured by a
 23 single-family residential property; and

24 “(B) includes the promissory note secured by
 25 the mortgage described in subparagraph (A).

1 “(2) The corporation may not sell or transfer any
2 covered mortgage under this section unless the require-
3 ments of this subsection are met.

4 “(3)(A) If the corporation intends to sell or transfer
5 a covered mortgage, the corporation shall provide the cur-
6 rent borrower and all owners of record of the property se-
7 curing the covered mortgage, or require that the current
8 borrower and owners of record be provided, a separate
9 written notice of the intent to sell the covered mortgage
10 that—

11 “(i) is mailed via certified and first class mail
12 not less than 90 days before the date on which the
13 loan is included in any proposed sale; and

14 “(ii) includes—

15 “(I) a description of the loss mitigation op-
16 tions of the corporation that are available to
17 borrowers in financial distress and the obliga-
18 tion of servicers to consider borrowers in de-
19 fault for those options;

20 “(II) a description of the actions that the
21 servicer of the loan has taken to review and im-
22 plement those options for the borrower; and

23 “(III) a description of the procedures the
24 borrower may use to contest with the corpora-

1 tion the compliance by the servicer with that
2 obligation.

3 “(B) The Federal Housing Finance Agency, as re-
4 ceiver for the corporation, may not authorize the corpora-
5 tion to sell any covered mortgage through any type of non-
6 performing loan sale auction program until the Director
7 of the Federal Housing Finance Agency issues rules,
8 through the notice and comment rule making procedures
9 under section 553 of title 5, United States Code, that ad-
10 dress essential aspects of any non-performing loan sale
11 program, including—

12 “(i) the method of selection of loans for sale;

13 “(ii) notice to borrowers prior to inclusion of
14 the loan in a sale; and

15 “(iii) review of loss mitigation status prior to
16 the sale, selection of eligible bidders, loss mitigation
17 guidelines applicable to loan purchasers, and report-
18 ing requirements for purchasers.

19 “(4)(A) Each purchaser of a covered mortgage shall
20 offer the borrower on the covered mortgage loss mitigation
21 options that allow for payment reduction at least as great
22 as would be available to the borrower if the loan had not
23 been sold.

24 “(B) The specific formula, calculations, waterfall
25 steps, and other terms for loss mitigation options de-

1 scribed in subparagraph (A) shall be published by the cor-
2 poration, made available to the public, and included in a
3 written notice given to borrowers before any acceleration
4 or foreclosure is initiated after a loan sale.

5 “(5) With respect to a transferee, including any sub-
6 sequent transferee, of a covered mortgage that is sold by
7 the corporation under this section—

8 “(A) the transferee shall certify in writing to
9 the corporation that the transferee will comply with
10 the provisions of this subsection in the marketing
11 and transfer of any property received in the disposi-
12 tion of any transferred loan;

13 “(B) the transferee shall provide to the corpora-
14 tion records documenting that the transfers of those
15 properties are in compliance with this subsection;
16 and

17 “(C) the failure of the corporation or the trans-
18 feree to comply with the requirements under this
19 subsection for a loan in default shall be a defense to
20 foreclosure, and a transferee may not execute a fore-
21 closure judgment or order of sale, or conduct a fore-
22 closure sale, until the transferee has complied with
23 all requirements under this subsection.

24 “(6) With respect to covered mortgages that are sold
25 by the corporation under this section and foreclosed upon

1 by the buyer, not less than 90 percent of the properties
 2 that are the subject of the covered mortgages in an auc-
 3 tion shall be—

4 “(A) sold to owner-occupants;

5 “(B) operated or transferred to an entity that
 6 will operate the property as affordable rental hous-
 7 ing for households below 80 percent of the area me-
 8 dian income for a period of not less than 15 years;
 9 or

10 “(C) transferred or donated to a nonprofit
 11 agency that is certified by the corporation and will
 12 redevelop the property for owner occupancy or af-
 13 fordable rental housing.

14 “(7) The corporation shall implement policies, proce-
 15 dures, and controls to—

16 “(A) identify and recruit community partners;

17 “(B) engage in consultations with community
 18 partners before the sale of a pool of covered mort-
 19 gages under this section to determine whether that
 20 sale can be designed to meet the specific needs of
 21 the communities served by the community partners;
 22 and

23 “(C) prioritize the sale of pools of single-family
 24 mortgages to community partners by—

1 “(i) designing pools of covered mortgages
 2 for direct sale to a community partner, the
 3 price of which shall be set by the corporation
 4 based on a pricing model that considers—

5 “(I) the current fair market value of
 6 the properties; and

7 “(II) the potential impact of fore-
 8 closures on those properties to the value of
 9 other homes in the same census tract; or

10 “(ii) in the case of an auction, if the win-
 11 ning bid is not from a community partner, per-
 12 mitting any community partner that bid during
 13 that same auction to have a final opportunity to
 14 enter a higher bid on the pool.”.

15 (d) FREDDIE MAC.—Section 305 of the Federal
 16 Home Loan Mortgage Corporation Act (12 U.S.C. 1454)
 17 is amended by adding at the end the following:

18 “(e)(1) In this subsection, the term ‘covered mort-
 19 gage’—

20 “(A) means any mortgage that is secured by a
 21 single-family residential property; and

22 “(B) includes the promissory note secured by
 23 the mortgage described in subparagraph (A).

1 “(2) The Corporation may not sell or transfer any
2 covered mortgage under this section unless the require-
3 ments of this subsection are met.

4 “(3)(A) If the Corporation intends to sell or transfer
5 a covered mortgage, the Corporation shall provide the cur-
6 rent borrower and all owners of record of the property se-
7 curing the covered mortgage, or require that the current
8 borrower and owners of record be provided, a separate
9 written notice of the intent to sell the covered mortgage
10 that—

11 “(i) is mailed via certified and first class mail
12 not less than 90 days before the date on which the
13 loan is included in any proposed sale; and

14 “(ii) includes—

15 “(I) a description of the loss mitigation op-
16 tions of the Corporation that are available to
17 borrowers in financial distress and the obliga-
18 tion of servicers to consider borrowers in de-
19 fault for those options;

20 “(II) a description of the actions that the
21 servicer of the loan has taken to review and im-
22 plement those options for the borrower; and

23 “(III) a description of the procedures the
24 borrower may use to contest with the Corpora-

1 tion the compliance by the servicer with that
2 obligation.

3 “(B) The Federal Housing Finance Agency, as re-
4 ceiver for the Corporation, may not sell any covered mort-
5 gage through any type of non-performing loan sale auction
6 program until the Director of the Federal Housing Fi-
7 nance Agency issues rules, through the notice and com-
8 ment rule making procedures under section 553 of title
9 5, United States Code, that address essential aspects of
10 any non-performing loan sale program, including—

11 “(i) the method of selection of loans for sale;

12 “(ii) notice to borrowers prior to inclusion of
13 the loan in a sale; and

14 “(iii) review of loss mitigation status prior to
15 the sale, selection of eligible bidders, loss mitigation
16 guidelines applicable to loan purchasers, and report-
17 ing requirements for purchasers.

18 “(4)(A) Each purchaser of a covered mortgage shall
19 offer the borrower on the covered mortgage loss mitigation
20 options that allow for payment reduction at least as great
21 as would be available to the borrower if the loan had not
22 been sold.

23 “(B) The specific formula, calculations, waterfall
24 steps, and other terms for loss mitigation options de-
25 scribed in subparagraph (A) shall be published by the Cor-

1 poration, made available to the public, and included in a
2 written notice given to borrowers before any acceleration
3 or foreclosure is initiated after a loan sale.

4 “(5) With respect to a transferee, including any sub-
5 sequent transferee, of a covered mortgage that is sold by
6 the Corporation under this section—

7 “(A) the transferee shall certify in writing to
8 the Corporation that the transferee will comply with
9 the provisions of this subsection in the marketing
10 and transfer of any property received in the dispo-
11 sition of any transferred loan;

12 “(B) the transferee shall provide to the Cor-
13 poration records documenting that the transfers of
14 those properties are in compliance with this sub-
15 section; and

16 “(C) the failure of the Corporation or the trans-
17 feree to comply with the requirements under this
18 subsection for a loan in default shall be a defense to
19 foreclosure, and a transferee may not execute a fore-
20 closure judgment or order of sale, or conduct a fore-
21 closure sale, until the transferee has complied with
22 all requirements under this subsection.

23 “(6) With respect to covered mortgages that are sold
24 by the Corporation under this section and foreclosed upon
25 by the buyer, not less than 90 percent of the properties

1 that are the subject of the covered mortgages in an auc-
 2 tion shall be—

3 “(A) sold to owner-occupants;

4 “(B) operated or transferred to an entity that
 5 will operate the property as affordable rental hous-
 6 ing for households below 80 percent of the area me-
 7 dian income for a period of not less than 15 years;
 8 or

9 “(C) transferred or donated to a nonprofit
 10 agency that is certified by the Corporation and will
 11 redevelop the property for owner occupancy or af-
 12 fordable rental housing.

13 “(7) The Corporation shall implement policies, proce-
 14 dures, and controls to—

15 “(A) identify and recruit community partners;

16 “(B) engage in consultations with community
 17 partners before the sale of a pool of covered mort-
 18 gages under this section to determine whether that
 19 sale can be designed to meet the specific needs of
 20 the communities served by the community partners;
 21 and

22 “(C) prioritize the sale of pools of single-family
 23 mortgages to community partners by—

24 “(i) designing pools of covered mortgages
 25 for direct sale to a community partner, the

1 price of which shall be set by the Corporation
 2 based on a pricing model that considers—

3 “(I) the current fair market value of
 4 the properties; and

5 “(II) the potential impact of fore-
 6 closures on those properties to the value of
 7 other homes in the same census tract; or

8 “(ii) in the case of an auction, if the win-
 9 ning bid is not from a community partner, per-
 10 mitting any community partner that bid during
 11 that same auction to have a final opportunity to
 12 enter a higher bid on the pool.”.

13 (e) SALE OF RE-PERFORMING LOANS.—The Federal
 14 Housing Enterprises Financial Safety and Soundness Act
 15 of 1992 (12 U.S.C. 4501 et seq.) is amended by inserting
 16 after section 1328 (12 U.S.C. 4548) the following:

17 **“SEC. 1329. SALE OF RE-PERFORMING LOANS.**

18 “(a) BULK AUCTION OR GROUP SALES.—An enter-
 19 prise may not conduct bulk auctions or other group sales
 20 of single family re-performing residential loans unless the
 21 following requirements are met:

22 “(1) The enterprise establishes a system that
 23 provides priority to Federal, State, local, or Tribal
 24 governments or nonprofit organizations that have
 25 the capacity and experience required for buying,

1 servicing, and resolving single family mortgage loans
2 in a manner that promotes affordable housing, fair
3 housing, affordable homeownership, provision of
4 housing counseling, or neighborhood stabilization.

5 “(2) Clear, written notice is sent by the enter-
6 prise or servicer through certified and first-class
7 mail to the borrower and all owners of record, with
8 a copy sent to the enterprise if sent by the servicer,
9 not less than 90 days before the inclusion of the
10 loan in any proposed sale—

11 “(A) stating that the loan will be included
12 in a bulk auction or group sale of re-performing
13 loans; and

14 “(B) describing the bulk auction or group
15 sale process, including—

16 “(i) the loss mitigation or other pro-
17 tections available to the borrower and
18 other owners of record both before and
19 after the auction or sale; and

20 “(ii) the obligations of the servicer of
21 the loan before and after the auction or
22 sale, including loss mitigation require-
23 ments.

1 “(3) The enterprise requires in the terms of the
2 bulk auction or group sale that purchasers take
3 loans subject to the following requirements:

4 “(A) The purchaser is required to offer
5 targeted payment relief options to borrowers
6 that become more than 60 days delinquent on
7 their mortgage after their loan is sold that in-
8 cludes deferral of principal and term extension
9 options that reduce payments to an affordable
10 level.

11 “(B) The purchaser is required to offer a
12 deferral program to borrowers that become
13 more than 60 days delinquent on their mort-
14 gage after their loan is sold that offers terms
15 and protections at least as favorable as those
16 available under loss mitigation guidelines of the
17 enterprise, including the absence of fees, to bor-
18 rowers who can afford their pre-hardship mort-
19 gage payment.

20 “(C) Failure by the purchaser to follow the
21 established loss mitigation guidelines shall serve
22 as a defense to a judicial foreclosure and a
23 basis to enjoin or otherwise stay a non-judicial
24 foreclosure.

1 “(D) Data reporting as provided under
2 subsection (b)(1).

3 “(E) If a property becomes vacant, the
4 purchaser shall not release the lien until the
5 property is sold or donated.

6 “(F) Use of contract for deed, lease to
7 own, or a land installment contract to sell or
8 otherwise transfer any property that is secured
9 by a purchased loan shall be prohibited unless
10 the tenant or purchaser is a nonprofit organiza-
11 tion.

12 “(b) DATA AND REPORTING.—

13 “(1) PURCHASER REPORTING.—During the 4-
14 year period following any auction or sale of single
15 family re-performing residential mortgage loans
16 under subsection (a), the Director shall require the
17 enterprise to collect from each purchaser of such
18 loans, including any subsequent purchaser of a loan,
19 quarterly loan-level data regarding the treatment
20 and outcome of the loan, including—

21 “(A) loan characteristics, including loan
22 type, remaining loan term, loan to value ratio,
23 number of months in arrears, and loan status;

24 “(B) loss mitigation data, including wheth-
25 er loss mitigation was provided by the pur-

1 chaser, debt-to-income ratio and percent pay-
 2 ment reduction for any modified loans, and per-
 3 formance of modified loans;

4 “(C) demographic data for each borrower
 5 and any co-borrower, including race, national
 6 origin, sex, ZIP Code, and census tract, and, if
 7 available, disability status and veteran status;
 8 and

9 “(D) other purchaser actions, including
 10 charge offs and resales of loans and dates for
 11 such actions.

12 “(2) SEMIANNUAL REPORTS TO CONGRESS.—

13 The Director shall submit to Congress, and make
 14 publicly available at no cost to the public in a readily
 15 accessible format on the website of the Agency,
 16 semi-annual reports on—

17 “(A) loans sold in an auction or sale under
 18 subsection (a) by each enterprise, disaggregated
 19 by pool, including—

20 “(i) the number of loans and types of
 21 loans;

22 “(ii) mean and median delinquency
 23 and loan to value ratios at the time of the
 24 sale;

1 “(iii) the number and percentage of
2 loans modified prior to auction or sale; and

3 “(iv) demographic and geographic
4 data, including property locations by cen-
5 sus tract or larger geographic location if
6 necessary to protect personally identifiable
7 information;

8 “(B) the performance of loans after an
9 auction or sale under subsection (a),
10 disaggregated by loan pool, including the initial
11 purchaser, current owner, current servicer, data
12 summarizing any alternatives to foreclosure of-
13 fered and enacted, and data summarizing the
14 data collected under subparagraph (A); and

15 “(C) the results of a fair lending analysis
16 conducted based on the data in subparagraphs
17 (A) and (B) to identify any discriminatory im-
18 pacts or outcomes associated with the auctions
19 or sales.

20 “(c) PENALTIES FOR NONCOMPLIANCE.—The enter-
21 prises may forcibly retain loans or properties, without pro-
22 viding compensation, from purchasers that do not meet
23 the requirements under subsection (a)(3).

1 “(d) REGULATIONS.—The Director shall issue regu-
 2 lations defining the terms of permissible auctions or sales
 3 in accordance with the requirements in this section.”.

4 **TITLE II—TAKING THE FIRST**
 5 **STEPS TO REVERSE THE LEG-**
 6 **ACY OF HOUSING DISCRIMI-**
 7 **NATION AND GOVERNMENT**
 8 **NEGLIGENCE**

9 **SEC. 201. DOWN PAYMENT ASSISTANCE PROGRAM FOR**
 10 **FIRST-TIME HOMEBUYERS.**

11 (a) DEFINITIONS.—In this section:

12 (1) ELIGIBLE RESIDENT.—The term “eligible
 13 resident” means an individual who—

14 (A) is a first-time homebuyer;

15 (B) is a first-generation homebuyer; and

16 (C) has an income that is less than—

17 (i) 120 percent of the area median in-
 18 come; or

19 (ii) in the case of a homebuyer acquir-
 20 ing a property for use as a principal resi-
 21 dence that is located in a high-cost area,
 22 as determined by the Secretary, 140 per-
 23 cent of the area median income.

24 (2) FIRST-GENERATION HOMEBUYER.—The
 25 term “first-generation homebuyer” means a home-

1 buyer who is, as self-attested by the homebuyer, an
2 individual—

3 (A) whose parents do not, or did not at the
4 time of their death, to the best of the individ-
5 ual’s knowledge, have any present ownership in-
6 terest in a principal residence in any State, ex-
7 cluding ownership of heir property; and

8 (B) whose spouse or domestic partner has
9 not, during the 3-year period ending on the
10 date of purchase of a property using a grant
11 under subsection (b), had any present owner-
12 ship interest in a principal residence in any
13 State, excluding ownership of heir property,
14 without regard to whether the spouse or domes-
15 tic partner is a co-borrower on a mortgage for
16 the property being purchased.

17 (3) FIRST-TIME HOMEBUYER.—The term “first-
18 time homebuyer” means a homebuyer who is, as
19 self-attested by the homebuyer, an individual (and if
20 married or in a domestic partnership, the spouse or
21 domestic partner of the individual) who, during the
22 3-year period ending on the date of purchase of a
23 property using a grant under subsection (b)—

1 (A) has had no present ownership in a
 2 principal residence in any State, excluding own-
 3 ership of heir property; or

4 (B) surrendered any present ownership in-
 5 terest in a principal residence in any State, ex-
 6 cluding ownership of heir property, as part of
 7 a divorce proceeding.

8 (4) HEIR PROPERTY.—The term “heir prop-
 9 erty” means residential property for which title—

10 (A) passed by operation of law through in-
 11 testacy; and

12 (B) is held by 2 or more heirs as tenants
 13 in common.

14 (5) SECRETARY.—The term “Secretary” means
 15 the Secretary of Housing and Urban Development.

16 (6) STATE.—The term “State” includes the
 17 District of Columbia and any territory or possession
 18 of the United States.

19 (b) ESTABLISHMENT.—There is established in the
 20 Treasury of the United States a fund that—

21 (1) shall be administered by the Secretary, act-
 22 ing through the Office of Housing of the Depart-
 23 ment of Housing and Urban Development; and

24 (2) shall be used—

1 (A) to provide grants to eligible residents
2 to purchase a property for use as a principal
3 residence;

4 (B) for outreach to financial institutions in
5 targeted areas and eligible residents, including
6 for the administration of that outreach;

7 (C) for counseling or financial education
8 administered by counseling agencies approved
9 by the Secretary in order to ensure sustainable
10 homeownership; and

11 (D) to maintain any records required to
12 implement this section.

13 (c) GRANT AMOUNT.—An eligible resident may re-
14 ceive a grant under subsection (b) in an amount equal
15 to—

16 (1) not more than 3.5 percent of the appraised
17 value of the property to be purchased; or

18 (2) if the appraised value of the property to be
19 purchased exceeds the principal obligation amount
20 limitation for mortgages insured under title II of the
21 National Housing Act (12 U.S.C. 1707 et seq.), 3.5
22 percent of the maximum principal obligation limita-
23 tion for the property to be purchased.

24 (d) RELATION TO FHA LOAN.—An eligible resident
25 shall not be required to obtain a mortgage that is insured

1 under title II of the National Housing Act (12 U.S.C.
2 1707 et seq.) as a condition of receiving a grant under
3 subsection (b).

4 (e) LAYERING OF ASSISTANCE.—Receipt by an eligi-
5 ble recipient of assistance for a down payment from a
6 source other than the fund established under subsection
7 (b), including assistance from the Federal Government, a
8 State or local government, or any other public, private,
9 or nonprofit source, shall not affect the eligibility of the
10 eligible recipient for assistance under subsection (b).

11 (f) REGULATIONS AND DATABASE.—Not later than
12 1 year after the date of enactment of this Act, the Sec-
13 retary shall—

14 (1) in consultation with interested parties, in-
15 cluding housing counseling agencies approved by the
16 Secretary and individuals or groups with expertise in
17 fair housing, promulgate regulations relating to the
18 use of the fund established under subsection (b);

19 (2) promulgate regulations relating to the dis-
20bursement of funds under this section to ensure that
21 an eligible resident is able to receive funds before
22 the closing date for the home of the eligible resident,
23 which may include creating a program that allows a
24 lender to be reimbursed by the fund established
25 under subsection (b) if the lender—

1 (A) provides an eligible resident with funds
2 for the closing; or

3 (B) allows an eligible resident to be
4 preapproved to receive assistance under this
5 section when arranging financing for the home
6 of the eligible resident; and

7 (3) establish methods to verify that an indi-
8 vidual is an eligible resident.

9 (g) APPROPRIATION.—Out of funds in the Treasury
10 not otherwise appropriated, there is appropriated to the
11 fund established under subsection (b) such sums as may
12 be necessary for each of fiscal years 2025 through 2034
13 to carry out the activities under subsection (b)(2).

14 (h) INCLUSION OF PROGRAM IN HOME BUYING IN-
15 FORMATION BOOKLETS.—Section 5(b) of the Real Estate
16 Settlement Procedures Act of 1974 (12 U.S.C. 2604(b))
17 is amended by inserting after paragraph (14) the fol-
18 lowing:

19 “(15) Information relating to the down pay-
20 ment assistance program established under section
21 201 of the American Housing and Economic Mobil-
22 ity Act of 2024.”.

23 (i) INCLUSION OF PROGRAM AS MORTGAGE PROD-
24 UCT.—Section 203(f)(1) of the National Housing Act (12
25 U.S.C. 1709(f)(1)) is amended by inserting “, including

1 the down payment assistance program established under
 2 section 201 of the American Housing and Economic Mo-
 3 bility Act of 2024,” after “mortgage products”.

4 (j) RELIANCE ON BORROWER ATTESTATIONS.—No
 5 additional documentation beyond the borrower’s attesta-
 6 tion shall be required to demonstrate eligibility under
 7 paragraphs (2) and (3) of subsection (a), and no creditor
 8 shall be subject to liability, including monetary penalties
 9 or requirements to indemnify a Federal agency or repur-
 10 chase a loan that has been sold or securitized, for the pro-
 11 vision of down payment assistance under this section to
 12 a borrower who does not meet the eligibility requirements
 13 under those paragraphs if the creditor does so in good
 14 faith reliance on borrower attestations of eligibility re-
 15 quired by those paragraphs or any regulation promulgated
 16 to carry out those paragraphs.

17 (k) REPAYMENT OF ASSISTANCE.—

18 (1) REQUIREMENT.—An eligible resident who
 19 receives a grant under subsection (b) to purchase a
 20 property for use as a principal residence and does
 21 not occupy the property as a principal residence for
 22 5 years or more shall repay to the Secretary a pro-
 23 portional amount of the grant based on the number
 24 of years, if any, for which the eligible resident has
 25 occupied the property as a principal residence.

1 (2) LIMITATION.—Notwithstanding paragraph
 2 (1), an eligible resident who receives a grant under
 3 subsection (b) to purchase a property for use as a
 4 principal residence and does not occupy the property
 5 as a principal residence for 5 years or more shall not
 6 be liable to the Secretary for repayment under para-
 7 graph (1) of this subsection if—

8 (A) the failure to occupy the property as a
 9 principal residence is due at least in part to a
 10 hardship; or

11 (B) the eligible resident sells the property
 12 before the expiration of the 5-year period begin-
 13 ning on the date of acquisition and the capital
 14 gains from the sale to a bona fide purchaser in
 15 an arm's length transaction are less than the
 16 amount the eligible resident would be required
 17 to repay under paragraph (1).

18 **SEC. 202. FORMULA GRANT PROGRAM FOR COMMUNITIES**

19 **WITH AN APPRAISAL GAP.**

20 (a) DEFINITIONS.—In this section—

21 (1) the term “neighborhood with an appraisal
 22 gap” means a census tract in which the median sales
 23 price of a dwelling unit is lower than the median
 24 cost to acquire and rehabilitate, or build, a new
 25 dwelling unit;

1 (2) the term “Secretary” means the Secretary
2 of Housing and Urban Development; and

3 (3) the term “State” has the meaning given the
4 term in section 3(b)(7) of the United States Hous-
5 ing Act of 1937 (42 U.S.C. 1437a(b)(7)).

6 (b) ESTABLISHMENT.—The Secretary shall establish
7 a formula grant program to provide funding to States to
8 support neighborhoods with an appraisal gap, including
9 borrowers with negative equity in their primary residence
10 in those neighborhoods, through—

11 (1) measures that provide funds to borrowers
12 to—

13 (A) pay down arrears on an otherwise af-
14 fordable loan;

15 (B) pay down arrears or principal on a
16 loan in order to qualify for a loan modification
17 that will allow the borrower to keep the home;

18 (C) pay off, or pay down part of, a second
19 mortgage or home equity line of credit;

20 (D) pay off a small-dollar mortgage;

21 (E) pay delinquent taxes and tax liens;

22 (F) pay off delinquent water or sewer bills
23 and liens; and

1 (G) pay for home repairs or maintenance
 2 or for modifications to bring the home into
 3 compliance with any applicable codes; and

4 (2) programs to purchase or rehabilitate vacant
 5 or distressed properties to enhance neighborhood
 6 property values.

7 (c) FORMULA.—The Secretary shall distribute
 8 amounts under this section to States based on—

9 (1) the number of borrowers with a primary
 10 residence with negative equity in each State; and

11 (2) the share of neighborhoods with an ap-
 12 praisal gap in each State.

13 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
 14 authorized to be appropriated to carry out this section
 15 \$5,000,000,000 for fiscal year 2025.

16 **SEC. 203. STRENGTHENING THE COMMUNITY REINVEST-**
 17 **MENT ACT OF 1977.**

18 (a) SHORT TITLE.—This section may be cited as the
 19 “Community Reinvestment Reform Act of 2024”.

20 (b) AMENDMENTS TO THE COMMUNITY REINVEST-
 21 MENT ACT OF 1977.—The Community Reinvestment Act
 22 of 1977 (12 U.S.C. 2901 et seq.) is amended—

23 (1) by striking sections 802 and 803 (12 U.S.C.
 24 2901, 2902) and inserting the following:

1 **“SEC. 802. FINDINGS AND PURPOSE.**

2 “(a) FINDINGS.—Congress finds that—

3 “(1) regulated financial institutions are re-
4 quired by law to demonstrate that they serve the
5 convenience and needs of the communities in which
6 they are chartered or do business, in particular low-
7 and moderate-income communities;

8 “(2) the convenience and needs of communities
9 include the need for credit services, deposit services,
10 transaction services, other financial services, and
11 community development loans and investments; and

12 “(3) regulated financial institutions have a con-
13 tinuing and affirmative obligation to meet the credit
14 or other financial needs of all the local communities
15 in which they are chartered or do business, including
16 communities in which—

17 “(A) the institutions make loans and do
18 not accept deposits; or

19 “(B) the institutions accept deposits but
20 do not make loans.

21 “(b) PURPOSE.—It is the purpose of this title to re-
22 quire each appropriate Federal financial supervisory agen-
23 cy to use its authority when examining regulated financial
24 institutions to ensure that those institutions meet the
25 credit and other financial needs of the local communities

1 in which they are chartered or do business consistent with
 2 the safe and sound operation of those institutions.

3 **“SEC. 803. DEFINITIONS.**

4 “In this title:

5 “(1) APPLICATION FOR A DEPOSIT FACILITY.—

6 The term ‘application for a deposit facility’ means
 7 an application to the appropriate Federal financial
 8 supervisory agency otherwise required under Federal
 9 law or regulations thereunder for—

10 “(A) a charter for a national bank or Fed-
 11 eral savings and loan association;

12 “(B) deposit insurance in connection with
 13 a newly chartered State bank, savings bank,
 14 savings and loan association, or similar institu-
 15 tion;

16 “(C) the establishment of a domestic
 17 branch or other facility with the ability to ac-
 18 cept deposits of a regulated financial institu-
 19 tion;

20 “(D) the relocation of the home office or a
 21 branch office of a regulated financial institu-
 22 tion;

23 “(E) the merger or consolidation with, the
 24 acquisition of the assets of, or the assumption
 25 of the liabilities of a regulated financial institu-

1 tion requiring approval under section 18(c) of
 2 the Federal Deposit Insurance Act (12 U.S.C.
 3 1828(c)); or

4 “(F) the acquisition of shares in, or the as-
 5 sets of, a regulated financial institution requir-
 6 ing approval under section 3 of the Bank Hold-
 7 ing Company Act of 1956 (12 U.S.C. 1842).

8 “(2) APPROPRIATE FEDERAL BANKING AGEN-
 9 CY.—The term ‘appropriate Federal banking agency’
 10 has the meaning given the term in section 3 of the
 11 Federal Deposit Insurance Act (12 U.S.C. 1813).

12 “(3) APPROPRIATE FEDERAL FINANCIAL SU-
 13 PERVISORY AGENCY.—The term ‘appropriate Fed-
 14 eral financial supervisory agency’ means—

15 “(A) the appropriate Federal banking
 16 agency with respect to depository institutions
 17 and depository institution holding companies;
 18 and

19 “(B) the Bureau of Consumer Financial
 20 Protection with respect to any covered person
 21 supervised by the Bureau pursuant to section
 22 1024 of the Dodd-Frank Wall Street Reform
 23 and Consumer Protection Act (12 U.S.C.
 24 5514).

1 “(4) ASSESSMENT AREA.—The term ‘assess-
 2 ment area’ means, with respect to a regulated finan-
 3 cial institution, each community, including a State,
 4 metropolitan area, or urban or rural county, in
 5 which the institution—

6 “(A) maintains deposit-taking branches,
 7 automated teller machines, or retail offices;

8 “(B) is represented by an agent; or

9 “(C) issues a significant number of loans
 10 or other products relative to the total number
 11 of loans or other products made by the institu-
 12 tion or relative to the total number of loans or
 13 other products offered by the private sector
 14 market.

15 “(5) CLIMATE RESILIENCY AND DISASTER MITI-
 16 GATION.—The term ‘climate resiliency and disaster
 17 mitigation’ means activities that—

18 “(A) assist individuals and communities to
 19 prepare for, adapt to, and withstand climate-re-
 20 lated risks, natural disasters, or weather-related
 21 disasters;

22 “(B) benefit or serve residents of low- to
 23 moderate-income census tracts or climate vul-
 24 nerable communities and do not directly result

1 in forced or involuntary relocation of those resi-
 2 dents; and

3 “(C) are done in conjunction with—

4 “(i) a plan, program or initiative of a
 5 Federal, State, local or Tribal government;
 6 or

7 “(ii) a mission-driven nonprofit orga-
 8 nization that is focused on benefiting or
 9 serving targeted census tracts or climate
 10 vulnerable communities.

11 “(6) CLIMATE VULNERABLE COMMUNITIES.—

12 The term ‘climate vulnerable communities’ means
 13 communities experiencing heightened risk and in-
 14 creased sensitivity to climate change with less capac-
 15 ity and fewer resources to cope with, adapt to, or re-
 16 cover from climate impacts, as determined by the
 17 appropriate Federal financial supervisory agencies
 18 using tools developed by Federal agencies that iden-
 19 tify census tracts as disadvantaged based in part on
 20 environmental factors, including the climate and eco-
 21 nomic justice screening tool developed by the Council
 22 on Environmental Quality.

23 “(7) COMMUNITY BENEFITS PLAN.—The term
 24 ‘community benefits plan’ means a plan that pro-
 25 vides measurable goals for future amounts of safe

1 and sound loans, investments, services, and other fi-
2 nancial products for low- and moderate-income com-
3 munities and other distressed or underserved com-
4 munities.

5 “(8) COMMUNITY DEVELOPMENT.—The term
6 ‘community development’ includes—

7 “(A) affordable housing for low- or mod-
8 erate-income individuals and avoidance of pat-
9 terns of lending resulting in the loss of afford-
10 able housing units and housing for low- and
11 moderate-income individuals in high-opportunity
12 areas;

13 “(B) community development services, in-
14 cluding counseling and successful mortgage or
15 loan modifications of delinquent loans;

16 “(C) activities that promote integration;

17 “(D) activities that promote economic de-
18 velopment by financing small businesses or
19 farms that meet the size eligibility requirements
20 of the development company or small business
21 investment company programs under section
22 121.301 of title 13, Code of Federal Regula-
23 tions, or any successor regulation, with an em-
24 phasis on small businesses that have gross an-
25 nual revenues of not more than \$1,000,000;

1 “(E) activities that revitalize or stabilize—
2 “(i) low- or moderate-income geog-
3 raphies;
4 “(ii) designated disaster areas;
5 “(iii) distressed or underserved non-
6 metropolitan middle-income geographies
7 designated by the Federal Financial Insti-
8 tutions Examination Council, based on—
9 “(I) rates of poverty, unemploy-
10 ment, and population loss; or
11 “(II) population size, density,
12 and dispersion, if those activities help
13 to meet essential community needs,
14 including the needs of low- and mod-
15 erate-income individuals; or
16 “(iv) other distressed or underserved
17 communities;
18 “(F) activities that promote physical, envi-
19 ronmental, and sensory accessibility in housing
20 stock that is integrated into the community;
21 and
22 “(G) other activities that promote the ob-
23 jectives of this title, as determined by the ap-
24 propriate Federal financial supervisory agen-
25 cies.

1 “(9) DEPOSITORY INSTITUTION; DEPOSITORY
 2 INSTITUTION HOLDING COMPANY; INSURED DEPOSI-
 3 TORY INSTITUTION.—The terms ‘depository institu-
 4 tion’, ‘depository institution holding company’, and
 5 ‘insured depository institution’ have the meanings
 6 given those terms in section 3 of the Federal De-
 7 posit Insurance Act (12 U.S.C. 1813).

8 “(10) ENTIRE COMMUNITY.—The term ‘entire
 9 community’ means—

10 “(A) all of the assessment areas of a regu-
 11 lated financial institution; and

12 “(B) areas outside of assessment areas de-
 13 scribed in subparagraph (A) in which a regu-
 14 lated financial institution has made loans or re-
 15 ceived deposits.

16 “(11) ENUMERATED CONSUMER LAWS.—The
 17 term ‘enumerated consumer laws’ has the meaning
 18 given the term in section 1002 of the Consumer Fi-
 19 nancial Protection Act of 2010 (12 U.S.C. 5481).

20 “(12) FOSSIL FUEL.—The term ‘fossil fuel’
 21 means coal, petroleum, methane gas (often referred
 22 to as ‘natural gas’), or any derivative of coal, petro-
 23 leum, or methane gas that is used for fuel directly
 24 or indirectly, such as for generating electricity.

1 “(13) FOSSIL FUEL COMPANY.—The term ‘fos-
2 sil fuel company’ means any company that—

3 “(A) is among the 200 companies with the
4 largest fossil fuel reserves in the world;

5 “(B) is among the 30 largest public com-
6 pany owners in the world of coal-fired power
7 plants;

8 “(C) has as its core business—

9 “(i) the construction or operation of
10 fossil fuel infrastructure; or

11 “(ii) the exploration, extraction, refin-
12 ing, processing or distribution of fossil
13 fuels; or

14 “(D) receives more than 50 percent of its
15 gross revenue from companies that meet the
16 definition under subparagraph (A), (B), or (C).

17 “(14) FOSSIL FUEL EXPANSION.—The term
18 ‘fossil fuel expansion’ means financing for new fossil
19 fuel infrastructure projects, including financing of
20 exploration activities, that would—

21 “(A) increase greenhouse gas emissions;
22 and

23 “(B) increase the difficulty of achieving
24 Federal, State, or local carbon emission reduc-
25 tion goals.

1 “(15) FOSSIL FUEL INFRASTRUCTURE.—The
2 term ‘fossil fuel infrastructure’ means oil or gas
3 wells, oil or gas pipelines and refineries, oil, coal or
4 gas-fired power plants, oil and gas storage tanks,
5 fossil fuel export terminals, and any other infra-
6 structure used exclusively for fossil fuels, including
7 facilities with carbon capture, utilization, and stor-
8 age.

9 “(16) GEOGRAPHY.—The term ‘geography’
10 means a census tract delineated by the Bureau of
11 the Census in the most recent decennial census.

12 “(17) INTERMEDIATE BANK.—The term ‘inter-
13 mediate bank’ is a depository institution with assets
14 between \$391,000,000 and \$1,564,000,000, as ad-
15 justed annually for purposes of an examination
16 under section 804.

17 “(18) LARGE BANK.—The term ‘large bank’ is
18 a depository institution with assets of not less than
19 \$1,564,000,000, as adjusted annually for purposes
20 of an examination under section 804.

21 “(19) OTHER DISTRESSED OR UNDERSERVED
22 COMMUNITY.—The term ‘other distressed or under-
23 served community’ means an area or census tract
24 that, according to a periodic review and data anal-
25 ysis by the appropriate Federal financial supervisory

1 agencies on an interagency basis through the Fed-
 2 eral Financial Institutions Examination Council of
 3 certain metrics, such as loans per households or
 4 small business, is experiencing economic hardship or
 5 is underserved by financial institutions.

6 “(20) OTHER UNDERSERVED POPULATION.—

7 The term ‘other underserved population’ means a
 8 population that is experiencing ongoing effects of
 9 discrimination or is relatively underserved by finan-
 10 cial institutions, as measured by loans per house-
 11 holds or other similar metrics.

12 “(21) REGULATED FINANCIAL INSTITUTION.—

13 The term ‘regulated financial institution’ means—

14 “(A) an insured depository institution;

15 “(B) a depository institution holding com-
 16 pany; and

17 “(C) a U.S. nonbank mortgage originator.

18 “(22) SMALL BANK.—The term ‘small bank’ is

19 a depository institution with assets of less than
 20 \$391,000,000, as adjusted annually to take into ac-
 21 count inflation for purposes of determining which in-
 22 stitutions are subject to an examination under sec-
 23 tion 804.

24 “(23) U.S. NONBANK MORTGAGE ORIGI-

25 NATOR.—The term ‘U.S. nonbank mortgage origi-

1 nator’ means a covered person subject to section
 2 1024 of the Dodd-Frank Wall Street Reform and
 3 Consumer Protection Act (12 U.S.C. 5514) that of-
 4 fers or provides—

5 “(A) origination of loans secured by real
 6 estate for use by consumers primarily for per-
 7 sonal, family, or household purposes; or

8 “(B) loan modification or foreclosure relief
 9 services in connection with a loan described in
 10 subparagraph (A).”;

11 (2) in section 804 (12 U.S.C. 2903)—

12 (A) by redesignating subsections (c) and
 13 (d) as subsections (f) and (g), respectively;

14 (B) by striking subsections (a) and (b) and
 15 inserting the following:

16 “(a) DEPOSITORY INSTITUTIONS AND BANK HOLD-
 17 ING COMPANIES.—

18 “(1) IN GENERAL.—In connection with its ex-
 19 amination of a regulated financial institution other
 20 than a U.S. nonbank mortgage originator, the ap-
 21 propriate Federal financial supervisory agency shall
 22 perform the following:

23 “(A) Assess the record of the institution in
 24 meeting the credit and other financial needs of
 25 its entire community, in particular low- and

1 moderate-income people and communities, and
2 other distressed or underserved communities,
3 and other underserved populations consistent
4 with the safe and sound operation of the insti-
5 tution.

6 “(B) Assess the effectiveness of the fol-
7 lowing activities in meeting the credit and other
8 financial needs of the assessment areas of the
9 institution, consistent with the safe and sound
10 operation of the institution:

11 “(i) Retail lending, including home,
12 small business, consumer, automobile, and
13 other lending and financial products, that
14 responds to credit needs or other financial
15 needs.

16 “(ii) Community development lending
17 and investments, which may include a con-
18 sideration of—

19 “(I) the origination of loans and
20 other efforts by the institution to as-
21 sist existing low- and moderate-income
22 residents to remain in affordable
23 housing in their community; and

24 “(II) the origination of loans by
25 the institution that result in the con-

1 struction, rehabilitation, or preserva-
2 tion of affordable housing units.

3 “(iii) Community development finance
4 tests or similar tests developed by the Fed-
5 eral bank agencies shall include separate
6 quantitative measures for community de-
7 velopment investments. The evaluation of
8 investments shall positively or negatively
9 affect test scores depending on bank per-
10 formance, in community development fi-
11 nance tests or similar tests.

12 “(iv) Retail financial services and
13 community development services.

14 “(v) Evaluation of the responsiveness,
15 affordability, and sustainability of retail fi-
16 nancial services including credit and de-
17 posit products shall positively or negatively
18 affect tests scores, depending on bank per-
19 formance, in the retail products and serv-
20 ice test or similar tests.

21 “(vi) Retail lending assessment areas,
22 as defined by the regulations in part 25 of
23 title 12, Code of Federal Regulations, or
24 any successor regulations, shall be estab-
25 lished for large banks and intermediate

1 banks if not more than 90 percent of the
2 retail loans of the bank are in facility-
3 based assessment areas containing their
4 branches and deposit-taking automated
5 teller machines. Large banks and inter-
6 mediate bank evaluations shall also exam-
7 ine lending outside of retail lending assess-
8 ment areas and facility-based assessment
9 areas. Evaluations of these loans shall be
10 considered when assigning an institution
11 level rating to the bank.

12 “(C) With respect to its evaluation of an
13 application for a deposit facility by the institu-
14 tion—

15 “(i) consider the record described in
16 subparagraph (A), the effectiveness of the
17 activities described in subparagraph (B),
18 the overall rating of the institution under
19 this section, and any improvement plans
20 submitted pursuant to this section;

21 “(ii) provide an opportunity for public
22 comment for a period of not less than 60
23 days;

24 “(iii) consider changes in the commu-
25 nity reinvestment performance of the insti-

tution since the most recent rating under this section by the appropriate Federal financial supervisory agency; and

“(iv) require—

“(I) a demonstration of public benefit, including a community benefits plan with measurable goals regarding increasing responsible lending and other financial products that is commensurate with the ability of the institution to accomplish those goals;

“(II) that the institution consult with community-based organizations and other community stakeholders in developing the community benefits plan; and

“(III) a public hearing for any institution that has a received a ‘need-to-improve’ or ‘low satisfactory’ grade in any individual assessment area during the most recent examination.

“(2) CONSIDERATION OF LENDING IN PARTNERSHIP WITH NON-DEPOSITORY LENDERS.—

“(A) IN GENERAL.—As part of assessing a financial institution under paragraph (1), the

appropriate Federal financial supervisory agency shall evaluate the performance of the financial institution in originating loans for small farms, consumer loans (including residential mortgages, unsecured installment loans, advances, and lines of credit), and loans for small businesses (including unsecured installment loans, advances, and lines of credit) in partnership with 1 or more non-depository lenders.

“(B) AFFORDABILITY AND SUSTAINABILITY.—In making the evaluation described in subparagraph (A), the appropriate Federal financial supervisory agency shall consider the affordability and sustainability of the loan originations made in partnership with 1 or more non-depository lenders.

“(C) DEFINITIONS.—In this paragraph:

“(i) NON-DEPOSITORY LENDER.—The term ‘non-depository lender’ means a lender that is not an insured depository institution.

“(ii) SMALL BUSINESS; SMALL FARM.—The terms ‘small business’ and ‘small farm’ have the meanings given those terms under the regulations promulgated

1 by the Bureau implementing the amend-
2 ments made by section 1071 of the Dodd
3 Frank Wall Street Reform and Consumer
4 Protection Act of 2010 (Public Law 111–
5 203; 124 Stat. 2056) under part 1002 of
6 title 12, Code of Federal Regulations, or
7 any successor regulation.

8 “(3) DEDUCTIONS FOR FOSSIL EXPANSION.—

9 “(A) IN GENERAL.—As part of assessing a
10 financial institution under paragraph (1), the
11 appropriate Federal financial supervisory agen-
12 cy shall—

13 “(i) determine the total dollar amount
14 of loans and investments to fossil fuel com-
15 panies for the purposes of fossil fuel ex-
16 pansion that were originated or held by the
17 financial institution during the period cov-
18 ered by an examination under section 804;
19 and

20 “(ii) deduct not more than that total
21 dollar amount from the reported commu-
22 nity development loans and investments of
23 the financial institution, both in the aggre-
24 gate and at the local market, or assess-
25 ment area, level.

1 “(B) ACTIVITIES.—The deduction de-
2 scribed in subparagraph (A)(ii) may only be off-
3 set by financing by the institution of climate re-
4 siliency and disaster mitigation activities spe-
5 cifically targeted to underserved communities,
6 such as—

7 “(i) the development of climate resil-
8 ient affordable housing, schools, and small
9 businesses (as defined in paragraph
10 (2)(C));

11 “(ii) clean electricity projects and
12 microgrids;

13 “(iii) nature-based protective infra-
14 structure;

15 “(iv) building decarbonization, which
16 includes holistic home weatherization and
17 health interventions;

18 “(v) lending to green small businesses
19 and companies with legitimate public
20 decarbonization transition plans, strate-
21 gies, and targets;

22 “(vi) electric public transit and elec-
23 tric vehicle charging infrastructure;

24 “(vii) investments in weatherization
25 and climate resilience for local businesses;

“(viii) operational and technical support and capacity building for environmental and climate justice organizations, including support for community groups active in environmental testing and training of community members to identify climate or environmental risks and opportunities in their communities; and

“(ix) workforce development related to the transition away from fossil fuels, including activities to train workers on skills needed to participate in carbon-pollution-free energy sectors.

“(4) PENALTIES FOR SUSTAINED FAILING PERFORMANCE.—A regulated financial institution other than a U.S. nonbank mortgage originator that receives overall performance ratings under this section of ‘needs to improve’ or ‘substantial noncompliance’ for 2 consecutive examinations shall be subject to the following penalties, as deemed applicable by the appropriate Federal financial supervisory agency:

“(A) Restrictions on the institution’s growth (overall or in discrete areas), business activities, or payment of dividends, including restrictions on ability to sell loans originated by

the institution to enterprises, as defined in section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502).

“(B) Recommendations to appropriate State agencies that State mortgage licenses be suspended or revoked with a statement of facts covering the justification for the recommended suspension or revocation.

“(C) Requiring the institution to simplify or reduce its operations, including that the institution reduce its asset size, divest subsidiaries or business lines, or exit from 1 or more markets of operation.

“(D) Recovery, or claw back, of portions of executive compensation received during consecutive evaluation periods under this section of which the institution received an overall performance rating of ‘needs to improve’ or ‘substantial noncompliance’.

“(b) U.S. NONBANK MORTGAGE ORIGINATOR.—

“(1) IN GENERAL.—In connection with its examination of a U.S. nonbank mortgage originator, the appropriate Federal financial supervisory agency shall perform the following:

1 “(A) Assess the record of the U.S.
2 nonbank mortgage originator in meeting the
3 credit or other financial needs of its entire com-
4 munity, in particular low-income and moderate-
5 income people and communities and other dis-
6 tressed or underserved communities and other
7 underserved populations, consistent with the
8 safe and sound operation of the U.S. nonbank
9 mortgage originator.

10 “(B) Assess, as appropriate, the following
11 activities in the assessment areas of the U.S.
12 nonbank mortgage originator:

13 “(i) Retail lending, including home
14 loans.

15 “(ii) Community development services.

16 “(iii) Community development lending
17 and investments, which may include a con-
18 sideration of—

19 “(I) the origination of loans and
20 other efforts by the institution to as-
21 sist existing low- and moderate-income
22 residents to remain in affordable
23 housing in their community;

24 “(II) the origination of loans by
25 the institution that result in the con-

1 construction, rehabilitation or preserva-
2 tion of affordable housing units; and

3 “(III) investments in, grants to,
4 or loans to community development fi-
5 nancial institutions (as defined in sec-
6 tion 103 of the Community Develop-
7 ment Banking and Financial Institu-
8 tions Act of 1994 (12 U.S.C. 4702)),
9 community development corporations
10 (as defined in section 613 of the Com-
11 munity Economic Development Act of
12 1981 (42 U.S.C. 9802)), and other
13 nonprofit organizations serving the
14 housing and development needs of the
15 community.

16 “(iv) Retail lending assessment areas,
17 as defined by the regulations in part 25 of
18 title 12, Code of Federal Regulations, or
19 any successor regulation, shall be estab-
20 lished if not more than 90 percent of the
21 retail loans of the U.S. nonbank originator
22 are in facility-based assessment areas con-
23 taining offices or agents. The evaluations
24 shall also examine lending outside of retail
25 lending assessment areas and facility-based

1 assessment areas. Evaluations of these
2 loans shall be considered when assigning
3 an institution level rating to the U.S.
4 nonbank mortgage originator.

5 “(C) With respect to its evaluation of an
6 application for a deposit facility by the U.S.
7 nonbank mortgage originator—

8 “(i) consider the record described in
9 subparagraph (A) the overall rating of the
10 U.S. nonbank mortgage originator under
11 this section, and any improvement plans
12 submitted pursuant to this section;

13 “(ii) provide an opportunity for public
14 comment for a period of not less than 60
15 days;

16 “(iii) consider changes in the commu-
17 nity reinvestment performance of the U.S.
18 nonbank mortgage originator since the
19 most recent rating under this section by
20 the appropriate Federal financial super-
21 visory agency; and

22 “(iv) require—

23 “(I) a demonstration that grant-
24 ing the application for a deposit facil-
25 ity is in the public interest, which

1 shall include a submission of a com-
2 munity benefits plan, which shall be
3 commensurate with the ability of the
4 institution to accomplish the plan, by
5 the U.S. nonbank mortgage originator
6 to the appropriate Federal financial
7 supervisory agency;

8 “(II) that the U.S. nonbank
9 mortgage originator consult with com-
10 munity-based organizations and other
11 community stakeholders in developing
12 the community benefits plan; and

13 “(III) a public hearing for any
14 U.S. nonbank mortgage originator
15 that has a received a ‘need-to-im-
16 prove’ or ‘low satisfactory’ grade in
17 any individual assessment area during
18 the most recent examination.

19 “(2) PENALTIES AND FEES.—The appropriate
20 Federal financial supervisory agency shall have the
21 same authority to assess penalties and fees under
22 subsection (a)(4) for U.S. nonbank mortgage origi-
23 nator as is the case for regulated financial institu-
24 tions described in subsection (a).

1 “(3) AUTHORITY TO ADJUST EXAMINATION AND
 2 SUPERVISORY FEES.—The appropriate Federal fi-
 3 nancial supervisory agencies shall have the authority
 4 to adjust the dollar amount of examination and su-
 5 pervisory fees, based in part, on the rating of insti-
 6 tutions under this section.

7 “(c) REQUIREMENTS.—

8 “(1) IN GENERAL.—In connection with its ex-
 9 amination of a regulated financial institution under
 10 subsection (a) or (b), the appropriate Federal finan-
 11 cial supervisory agency shall—

12 “(A) consider public comments received by
 13 the appropriate Federal financial supervisory
 14 agency regarding the record of the institution in
 15 meeting the credit or other financial needs of
 16 its entire community, including low- and mod-
 17 erate-income communities, and hold not less
 18 than 1 public hearing to receive comments for
 19 large banks with assets of not less than
 20 \$50,000,000,000; and

21 “(B) require—

22 “(i) an improvement plan for an insti-
 23 tution that receives a rating of ‘low satis-
 24 factory’ or lower on the written evaluation

1 of the institution, or such a rating in any
2 individual assessment area; and

3 “(ii) the improvement plan described
4 in clause (i) to result in the reasonable
5 likelihood that the institution will obtain a
6 rating of at least ‘high satisfactory’ in
7 meeting community credit or other finan-
8 cial needs in the relevant measure on the
9 next examination.

10 “(2) IMPROVEMENT PLAN.—

11 “(A) IN GENERAL.—A regulated financial
12 institution that is required to submit an im-
13 provement plan required under paragraph
14 (1)(B) shall submit the plan in writing to the
15 appropriate Federal financial supervisory agen-
16 cy not later than 90 days after receiving notice
17 that the regulated financial institution is re-
18 quired to submit the plan.

19 “(B) PUBLIC COMMENT.—Upon receipt of
20 an improvement plan of a regulated financial
21 institution required under paragraph (1)(B),
22 the appropriate Federal financial supervisory
23 agency shall—

1 “(i) make the plan available to the
 2 public for review and comment for a period
 3 of not less than 60 days; and

4 “(ii) require the regulated financial
 5 institution to revise, as appropriate, the
 6 improvement plan in response to the public
 7 comments received under the public review
 8 and comment period described in clause (i)
 9 and submit the plan to the appropriate
 10 Federal financial supervisory agency not
 11 later than 60 days after the end of that pe-
 12 riod.

13 “(3) EXAMINATION OF CERTAIN REGULATED
 14 FINANCIAL INSTITUTIONS.—In the case of a regu-
 15 lated financial institution whose lending or other
 16 business is not clustered in geographical areas and
 17 is thinly dispersed across the country, the institution
 18 shall—

19 “(A) be evaluated under subsection (a) or
 20 (b), as applicable—

21 “(i) by considering the effectiveness of
 22 the institution in serving customers or bor-
 23 rowers, with a special emphasis on low-
 24 and moderate-income individuals and other
 25 underserved populations across the country

1 regardless of where the individuals reside;
2 and

3 “(ii) based on objective thresholds de-
4 veloped by the appropriate Federal finan-
5 cial supervisory agencies to clarify when
6 lending or other business is dispersed
7 across the country and not clustered in
8 distinct geographical areas, which may in-
9 clude low levels of lending or other finan-
10 cial products across States or other areas;
11 and

12 “(B) meet the needs of other distressed or
13 underserved communities.

14 “(d) CONSIDERATION.—Remediation of consumers
15 pursuant to an order by a court or administrative body
16 or a settlement with a government agency or a private
17 party may not be considered in an assessment conducted
18 under subsection (a)(2) or (b)(2).

19 “(e) RULE OF CONSTRUCTION.—An evaluation of a
20 bank holding company under this section shall incorporate
21 evaluations of subsidiary regulated financial institutions
22 made by the appropriate Federal financial supervisory
23 agency of each subsidiary, if applicable.”;

24 (C) in subsection (f), as so redesignated—

25 (i) by striking paragraph (2);

1 (ii) by redesignating paragraph (3) as
2 paragraph (2); and

3 (iii) in paragraph (2), as so redesign-
4 nated, by striking subparagraph (C); and

5 (D) in subsection (g), as so redesignated,
6 by striking “subsection (a)” and inserting “sub-
7 sections (a) and (b)”;

8 (3) in section 807 (12 U.S.C. 2906)—

9 (A) in subsection (a)—

10 (i) by striking “an insured depository
11 institution” and inserting “a regulated fi-
12 nancial institution”; and

13 (ii) by inserting “or financial” after
14 “credit”;

15 (B) in subsection (b)—

16 (i) in paragraph (1)—

17 (I) in subparagraph (A)—

18 (aa) in clause (ii), by strik-
19 ing “and” at the end;

20 (bb) by redesignating clause

21 (iii) as clause (iv); and

22 (cc) by inserting after clause

23 (ii) the following:

24 “(iii) disclose whether the institution en-
25 gaged in acts or practices that the Bureau of

1 Consumer Financial Protection has determined,
2 and has publicly disclosed, violate the enumer-
3 ated consumer laws; and”; and

4 (II) by striking subparagraph (B)
5 and inserting the following:

6 “(B) EVALUATION ON AN ASSESSMENT AREA
7 BASIS.—The information required under subsections
8 (a) and (b) of section 804 shall be presented sepa-
9 rately for each assessment area.

10 “(C) TREATMENT WITH RESPECT TO VIOLA-
11 TIONS OF ENUMERATED CONSUMER LAWS.—If a
12 regulated financial institution has engaged in acts or
13 practices that the appropriate Federal financial su-
14 pervisory agency has determined to be unfair, decep-
15 tive, or abusive or acts or practices that violate enu-
16 merated consumer laws intended to ensure the fair,
17 equitable, and nondiscriminatory access to credit for
18 individuals and communities that are enforced by
19 the Bureau of Consumer Financial Protection or
20 other Federal or State agencies, the written evalua-
21 tion shall be negatively influenced in a manner com-
22 mensurate with the extent of the harm suffered by
23 those individuals and communities.”;

24 (ii) in paragraph (2)—

1 (I) by striking subparagraphs
 2 (A), (B), (C), and (D) and inserting
 3 the following:

4 “(A) ‘Outstanding record of meeting com-
 5 munity credit or other financial needs’.

6 “(B) ‘High Satisfactory record of meeting
 7 community credit or other financial needs’.

8 “(C) ‘Low Satisfactory record of meeting
 9 community credit or other financial needs’.

10 “(D) ‘Needs to improve record of meeting
 11 community credit or other financial needs’.

12 “(E) ‘Substantial noncompliance in meet-
 13 ing community credit or other financial
 14 needs’.”; and

15 (iii) by inserting after the flush text
 16 following paragraph (2) the following:

17 “(3) ADDITIONAL AUTHORITY.—The appro-
 18 priate Federal financial supervisory agencies may—

19 “(A) alter the ratings under this sub-
 20 section to change or include additional ratings
 21 for the overall ratings and subtest ratings; and

22 “(B) develop an accompanying point sys-
 23 tem that includes ranges for each rating cat-
 24 egory under paragraph (2).”;

1 (C) by redesignating subsection (e) as sub-
 2 section (f); and

3 (D) by inserting after subsection (d) the
 4 following:

5 “(e) APPEALS OF RATING.—If a regulated financial
 6 institution appeals the assigned rating under this section,
 7 the appropriate Federal financial supervisory agency
 8 shall—

9 “(1) post a public notice of the appeal on the
 10 part of the website of the appropriate Federal finan-
 11 cial supervisory agency that contains information on
 12 this title; and

13 “(2) provide an opportunity for public comment
 14 on the appeal.”;

15 (4) in section 806 (12 U.S.C. 2905)—

16 (A) by striking “Regulations” and insert-
 17 ing the following:

18 “(a) IN GENERAL.—Regulations”;

19 (B) in subsection (a), as so designated, by
 20 striking “companies,” and inserting “compa-
 21 nies,”; and

22 (C) by adding at the end the following:

23 “(b) PERIODIC REVIEW.—Not later than 5 years
 24 after the date of enactment of this subsection and every

1 5 years thereafter, the appropriate Federal financial su-
 2 pervisory agencies shall—

3 “(1) review the regulations promulgated to
 4 carry out this title; and

5 “(2) report to Congress any recommendations
 6 for updates to the regulations and this title, which
 7 may include consideration of—

8 “(A) data collection under this title;

9 “(B) the rigor of evaluations under this
 10 title;

11 “(C) the assessment area coverage of loans
 12 and deposits; and

13 “(D) the extent to which the provisions of
 14 this title are reducing disparities in access to
 15 credit and capital by income and race.”; and

16 (5) by adding at the end the following:

17 **“SEC. 810. DATA COLLECTION AND REPORTING REQUIRE-**
 18 **MENTS.**

19 “(a) DATA COLLECTION.—

20 “(1) CONSUMER LOANS.—

21 “(A) IN GENERAL.—Each regulated finan-
 22 cial institution shall collect and maintain in ma-
 23 chine readable form, as prescribed by the ap-
 24 propriate Federal financial supervisory agency,
 25 data for consumer loans originated or pur-

1 chased by the regulated financial institution, in-
2 cluding motor vehicle loans, credit cards, lines
3 of credit, and other secured or unsecured loans.
4 The regulated financial institution shall main-
5 tain data separately for each category of con-
6 sumer loan, including the following for each
7 loan:

8 “(i) A unique number or alpha-nu-
9 meric symbol that can be used to identify
10 the relevant loan.

11 “(ii) The loan amount at origination
12 or purchase.

13 “(iii) The loan location.

14 “(iv) The gross annual income of the
15 borrower that the regulated financial insti-
16 tution considered in making its credit deci-
17 sion.

18 “(B) EXEMPTIONS.—The appropriate Fed-
19 eral financial supervisory agencies may exempt
20 classes of regulated financial institutions from
21 the requirements under subparagraph (A) due
22 to low levels of consumer lending or other fac-
23 tors.

24 “(2) COMMUNITY DEVELOPMENT LOANS AND
25 INVESTMENTS.—

1 “(A) COLLECTION AND MAINTENANCE OF
 2 DATA.—Each regulated financial institution
 3 shall collect and maintain in machine readable
 4 form, as prescribed by the appropriate Federal
 5 financial supervisory agency, data on the cat-
 6 egories of community development lending and
 7 investments, including data regarding financing
 8 affordable housing, small business development,
 9 and economic development.

10 “(B) PUBLIC DISSEMINATION.—Each reg-
 11 ulated financial institution and the appropriate
 12 Federal financial supervisory agencies shall—

13 “(i) publicly disseminate the data de-
 14 scribed in subparagraph (A) on a county
 15 level and for categories of census tracts in-
 16 cluding low- and moderate-income census
 17 tracts or other distressed and underserved
 18 census tracts; and

19 “(ii) consider disseminating the data
 20 described in subparagraph (A) by indi-
 21 vidual census tracts in addition to the cat-
 22 egories described in clause (i).

23 “(3) ASSESSMENT AREA DATA.—

24 “(A) IN GENERAL.—Each regulated finan-
 25 cial institution shall collect and report to the

1 appropriate Federal financial supervisory agen-
2 cy by March 1 of each year a list for each as-
3 sessment area showing the geographies within
4 the area.

5 “(B) PUBLICATION.—The appropriate
6 Federal financial supervisory agencies shall
7 make the list of assessment areas reported by
8 each regulated financial institution under sub-
9 paragraph (A) publicly available on the part of
10 the website of the appropriate Federal financial
11 supervisory agency that contains information on
12 this title.

13 “(4) DEPOSITS.—The appropriate Federal fi-
14 nancial supervisory agencies shall—

15 “(A) collect data from regulated financial
16 institutions that reflects—

17 “(i) the number of customers of those
18 institutions that reside in categories of
19 census tracts including low- and moderate-
20 income census tracts or other distressed
21 and underserved census tracts and the dol-
22 lar amount of deposits of those customers;
23 and

1 “(ii) the number of small businesses
 2 that are located in the census tract cat-
 3 egories described in clause (i); and

4 “(B) consider the dissemination of the de-
 5 posit data collected under subparagraph (A) by
 6 individual census tracts in addition to the cat-
 7 egories described in that subparagraph.

8 “(b) AGGREGATE DISCLOSURE STATEMENTS.—

9 “(1) IN GENERAL.—Each appropriate Federal
 10 financial supervisory agency shall prepare annually,
 11 for each assessment area, a disclosure statement of
 12 home, small business, small farm, and consumer
 13 lending for each regulated financial institution sub-
 14 ject to reporting under this section and an aggre-
 15 gated statement for all reporting institutions com-
 16 bined, which shall indicate, for each assessment
 17 area, the number and amount of all small business,
 18 small farm, and consumer loans originated or pur-
 19 chased sorted by income level of borrowers, race and
 20 ethnicity of borrowers, revenue size of small business
 21 and farms, and categories of census tracts.

22 “(2) DEPOSITS AND COMMUNITY DEVELOP-
 23 MENT LOANS AND INVESTMENTS.—An appropriate
 24 Federal financial supervisory agency shall include
 25 data on deposits and community development loans

1 and investments in the disclosure statements pre-
2 pared under paragraph (1).

3 “(3) ADJUSTED FORM.—An appropriate Fed-
4 eral financial supervisory agency may adjust the
5 form of the disclosure statement prepared under
6 paragraph (1) if necessary, because of special cir-
7 cumstances, to protect the privacy of a borrower or
8 the competitive position of a regulated financial in-
9 stitution.

10 “(c) CENTRAL DATA DEPOSITORIES.—The Federal
11 Financial Institutions Examination Council, in consulta-
12 tion with the appropriate Federal financial supervisory
13 agencies, shall implement a system—

14 “(1) to allow the public to access online and in
15 a searchable format the data maintained under
16 paragraphs (1) through (4) of subsection (a); and

17 “(2) that ensures that personally identifiable fi-
18 nancial information is not disclosed to public.

19 “(d) LIMITATION.—An appropriate Federal financial
20 supervisory agency may not use the authorities of the ap-
21 propriate Federal financial supervisory agency under this
22 section to obtain a record from a regulated financial insti-
23 tution for the purpose of gathering or analyzing the per-
24 sonally identifiable financial information of a consumer.

1 **“SEC. 811. COMMUNITY ADVISORY COMMITTEES.**

2 “(a) DEPOSITORY INSTITUTIONS.—Each regulated
3 financial institution that is not a U.S. nonbank mortgage
4 originator shall form a separate Community Advisory
5 Committee (which shall be composed of a diverse set of
6 consumer, housing, community development, and other
7 stakeholder groups) in each of the following:

8 “(1) With respect to a depository institution
9 with consolidated assets equal to or greater than
10 \$2,000,000,000 the branches of which are located in
11 1 census region, each metropolitan statistical area
12 where the financial institution or any subsidiaries of
13 the financial institution have a branch or other facil-
14 ity (including an automated teller machine) and each
15 metropolitan statistical area where the financial in-
16 stitution has a substantial number of customers who
17 maintain deposit accounts with the financial institu-
18 tion.

19 “(2) With respect to a depository institution
20 with consolidated assets equal to or greater than
21 \$2,000,000,000 the branches of which are located in
22 more than 1 census region, each census division
23 within each of the regions.

24 “(3) With respect to a depository institution
25 with consolidated assets of less than
26 \$2,000,000,000, each State where the financial in-

1 stitution or any subsidiaries of the financial institu-
2 tion are located.

3 “(b) U.S. NONBANK MORTGAGE ORIGINATORS.—

4 Each U.S. nonbank mortgage originator shall form a sepa-
5 rate Community Advisory Committee (which shall be com-
6 posed of a diverse set of consumer, housing, community
7 development, and other stakeholder groups) in each of the
8 following:

9 “(1) With respect to a U.S. nonbank mortgage
10 originator that is required to make a number of dis-
11 closures under the Home Mortgage Disclosure Act of
12 1975 (12 U.S.C. 2801 et seq.) that is less than the
13 national median, each State in which the U.S.
14 nonbank mortgage originator offers loans.

15 “(2) With respect to a U.S. nonbank mortgage
16 originator that is required to make a number of dis-
17 closures under the Home Mortgage Disclosure Act of
18 1975 (12 U.S.C. 2801 et seq.) that is more than the
19 national median, each census division within the cen-
20 sus regions in which the U.S. nonbank mortgage
21 originator offers loans.

22 “(c) BIENNIAL CONSULTATION.—The executives of
23 each regulated financial institution shall meet not less fre-
24 quently than twice per year with the Community Advisory

1 Committees of the regulated financial institution formed
 2 under subsection (a) or (b), as applicable—

3 “(1) to discuss the financial institution’s cur-
 4 rent work to meet the credit and deposit needs of
 5 low- and moderate-income individuals and under-
 6 served communities, persons with disabilities,
 7 LGBTQ+ communities, and Chinese, Asian Indian,
 8 Filipino, Japanese, Korean, Vietnamese, Pakistani,
 9 Cambodian, Hmong, Laotian, Thai, Taiwanese, Bur-
 10 mese, Bangladeshi, Nepalese, Indonesian, Malaysian,
 11 Hispanic or Latino, Black or African American,
 12 American Indian and Alaska Native, Native Hawai-
 13 ian, Samoan, Chamorro, Tongan, iTaukei,
 14 Marshallese, and Other Pacific Islander commu-
 15 nities, as applicable to the geographic areas of the
 16 financial institution;

17 “(2) with respect to an institution described in
 18 subsection (a)(2) or a U.S. nonbank mortgage origi-
 19 nator described in subsection (b)(2), to assist the ex-
 20 ecutives in developing and updating a plan for how
 21 the institution will work to meet the credit needs of
 22 the institution’s entire community, including low-
 23 and moderate-income neighborhoods; and

24 “(3) to discuss the institution’s data (which
 25 shall be disaggregated by Chinese, Asian Indian, Fil-

1 ipino, Japanese, Korean, Vietnamese, Pakistani,
 2 Cambodian, Hmong, Laotian, Thai, Taiwanese, Bur-
 3 mese, Bangladeshi, Nepalese, Indonesian, Malaysian,
 4 Hispanic or Latino, Black or African American,
 5 American Indian and Alaska Native, and Native Ha-
 6 waiian, Samoan, Chamorro, Tongan, iTaukei,
 7 Marshallese and Other Pacific Islander communities,
 8 as applicable to the institution’s geographic areas)
 9 on—

10 “(A) mortgage lending and lending to
 11 small businesses and small farms, as defined in
 12 section 804(a)(2)(C);

13 “(B) retail products and services;

14 “(C) community development services; and

15 “(D) community development financing.

16 “(d) SPECIFIC CONSULTATIONS.—In addition to the
 17 consultations required under paragraph (2), the executives
 18 of a depository institution described in subsection (a)(2)
 19 shall meet with the Community Advisory Committee of the
 20 institution before—

21 “(1) the institution applies for a merger or ac-
 22 quisition;

23 “(2) the institution, or any subsidiary of the in-
 24 stitution, applies for deposit insurance;

1 “(3) the institution applies to open a new
2 branch or to relocate an existing branch; or

3 “(4) the institution provides notice that it
4 would close a branch or other facility.

5 **“SEC. 812. STUDY ON DISCRIMINATION AND DISPARITIES IN**
6 **ACCESS TO CREDIT.**

7 “(a) STUDY.—Not later than the end of the 2-year
8 period beginning on the date of enactment of this section,
9 and every 2 years thereafter, the appropriate Federal fi-
10 nancial supervisory agencies shall, jointly, and in consulta-
11 tion with such other Federal or State agencies as the ap-
12 propriate Federal financial supervisory agencies determine
13 appropriate, complete an interagency statistical study to
14 identify—

15 “(1) metropolitan areas and rural counties that
16 either experience ongoing discrimination or exhibit
17 significant racial disparities in access to credit for
18 any racial or ethnic group; and

19 “(2) significant disparities in access to branches
20 by racial or ethnic composition of census tract and
21 disparities in access to community development fi-
22 nancing by racial or ethnic composition of census
23 tract.

24 “(b) USE OF DATA.—In carrying out each study re-
25 quired under subsection (a), the appropriate Federal fi-

1 nancial supervisory agencies shall make use of data includ-
2 ing—

3 “(1) data obtained under the Home Mortgage
4 Disclosure Act of 1975 (12 U.S.C. 2801 et seq.);

5 “(2) data obtained under section 704B of the
6 Equal Credit Opportunity Act (15 U.S.C. 1691o–2);

7 “(3) data obtained under this Act;

8 “(4) available State data; and

9 “(5) information contained in public litigation
10 against regulated financial institutions for redlining
11 or lending discrimination (including litigation initi-
12 ated by the Bureau of Consumer Financial Protec-
13 tion, the Department of Housing and Urban Affairs,
14 the Department of Justice, or by private parties).

15 “(c) REPORT.—Upon the completion of each study
16 required under subsection (a), the appropriate Federal fi-
17 nancial supervisory agencies shall jointly submit to the
18 Committee on Banking, Housing, and Urban Affairs of
19 the Senate and the Committee on Financial Services of
20 the House of Representatives a report that includes—

21 “(1) all findings and determinations made in
22 carrying out the study; and

23 “(2) policy recommendations to remedy the dis-
24 crimination and disparities identified in the study.

1 **“SEC. 813. PUBLIC REGISTRIES.**

2 “The appropriate Federal supervisory financial agen-
3 cies, acting through the Federal Financial Institutions Ex-
4 amination Council, shall—

5 “(1) maintain a list of community-based organi-
6 zations and other stakeholders who wish to be listed
7 and who have commented on examinations con-
8 ducted under section 804 and applications regarding
9 community needs and bank performance; and

10 “(2) conduct outreach to community groups
11 and strive for geographical diversity, gender and ra-
12 cial diversity, and diversity in terms of various types
13 of needs, including affordable housing and economic
14 development to community facilities.”.

15 (c) AMENDMENT TO THE BANK HOLDING COMPANY
16 ACT OF 1956.—Section 4(k)(6) of the Bank Holding
17 Company Act of 1956 (12 U.S.C. 1843(k)(6)) is amended
18 to read as follows:

19 “(6) NOTICE AND OPPORTUNITY FOR COMMENT
20 REQUIRED.—

21 “(A) IN GENERAL.—No financial holding
22 company shall directly or indirectly acquire, and
23 no company that becomes a financial holding
24 company shall directly or indirectly acquire con-
25 trol of, any company in the United States, in-
26 cluding through merger, consolidation, or other

1 type of business combination, that is engaged in
 2 activities permitted under this subsection or
 3 subsection (n) or (o), unless—

4 “(i) the holding company has provided
 5 notice to the Board, not later than 60 days
 6 prior to the proposed acquisition or prior
 7 to becoming a financial holding company,
 8 and during that time period, or such
 9 longer time period not exceeding an addi-
 10 tional 60 days, as established by the
 11 Board;

12 “(ii) the Board has provided public
 13 notice and opportunity for comment for
 14 not less than 60 days; and

15 “(iii) the Board has not issued a no-
 16 tice disapproving the proposed acquisition
 17 or retention.

18 “(B) FACTORS FOR CONSIDERATION.—In
 19 reviewing any prior notice filed under this para-
 20 graph, the Board shall—

21 “(i) consider the overall rating of the
 22 financial holding company under the Com-
 23 munity Reinvestment Act of 1977 (12
 24 U.S.C. 2901 et seq.) and any improvement
 25 plans submitted pursuant to that Act;

1 “(ii) provide opportunity for public
2 comment for a period of not less than 60
3 days;

4 “(iii) consider changes in the commu-
5 nity reinvestment performance of the fi-
6 nancial holding company since the last rat-
7 ing under the Community Reinvestment
8 Act of 1977 (12 U.S.C. 2901 et seq.) by
9 the appropriate Federal financial super-
10 visory agency; and

11 “(iv) require—

12 “(I) a demonstration that grant-
13 ing the application for a deposit facil-
14 ity is in the public interest, which
15 shall include submission to the appro-
16 priate Federal financial supervisory
17 agency of a community benefits plan
18 commensurate with the ability of the
19 institution to carry out that plan;

20 “(II) that the institution consult
21 with community-based organizations
22 and other community stakeholders in
23 developing the community benefits
24 plan; and

1 “(III) a public hearing for any
 2 bank that has received a ‘need-to-im-
 3 prove’ or ‘low satisfactory’ grade in
 4 any assessment area during the last
 5 examination under the Community
 6 Reinvestment Act of 1977 (12 U.S.C.
 7 2901 et seq.).”.

8 (d) TECHNICAL AND CONFORMING AMENDMENT.—
 9 Section 10(c)(2)(H)(i) of the Home Owners’ Loan Act (12
 10 U.S.C. 1467a(c)(2)(H)(i)) is amended by striking “section
 11 804(c) of the Community Reinvestment Act of 1977 (12
 12 U.S.C. 2903(c))” and inserting “section 804(f) of the
 13 Community Reinvestment Act of 1977 (12 U.S.C.
 14 2903(f))”.

15 **SEC. 204. AMENDMENTS RELATING TO CREDIT UNION**
 16 **SERVICE TO UNDERSERVED AREAS.**

17 (a) IN GENERAL.—The Federal Credit Union Act (12
 18 U.S.C. 1751 et seq.) is amended—

19 (1) in section 101 (12 U.S.C. 1752)—

20 (A) in paragraph (8), by striking “and” at
 21 the end;

22 (B) in paragraph (9), by striking the pe-
 23 riod at the end and inserting “; and”; and

24 (C) by adding at the end the following:

25 “(10) the term ‘underserved area’—

1 “(A) means a local community, neighbor-
2 hood, or rural district that—

3 “(i) is an investment area, as defined
4 in section 103 of the Community Develop-
5 ment Banking and Financial Institutions
6 Act of 1994 (12 U.S.C. 4702), that meets
7 such additional requirements that the
8 Board may impose; and

9 “(ii) is underserved, based on data of
10 the Board and the Federal banking agen-
11 cies (as defined in section 3 of the Federal
12 Deposit Insurance Act (12 U.S.C. 1813)),
13 by other depository institutions (as defined
14 in section 19(b)(1)(A) of the Federal Re-
15 serve Act (12 U.S.C. 461(b)(1)(A)); and

16 “(B) notwithstanding subparagraph (A),
17 includes, with respect to any Federal credit
18 union, any geographic area within which the
19 credit union—

20 “(i) has received approval to provide
21 service as an underserved area before the
22 date of enactment of this paragraph from
23 the Administration; and

24 “(ii) has established a service facility
25 before that date of enactment.”;

1 (2) in section 106 (12 U.S.C. 1756)—

2 (A) in the first sentence, by striking “Fed-
3 eral” and inserting “(a) Federal”; and

4 (B) by adding at the end the following:

5 “(b) The Board shall monitor adherence by a Federal
6 credit union to a significant unmet needs plan submitted
7 under section 109(h) by that Federal credit union that
8 describes how the Federal credit union will serve the de-
9 posit and other financial needs of the community.”; and

10 (3) in section 109 (12 U.S.C. 1759)—

11 (A) in subsection (c), by amending para-
12 graph (2) to read as follows:

13 “(2) EXCEPTION FOR UNDERSERVED AREAS.—

14 “(A) IN GENERAL.—Notwithstanding sub-
15 section (b), the Board may approve an applica-
16 tion by a Federal credit union to allow the
17 membership of the credit union to include any
18 person or organization whose principal resi-
19 dence or place of business is located within a
20 local community, neighborhood, or rural district
21 if—

22 “(i) the Board determines—

23 “(I) at any time after August 7,
24 1998, that the local community,
25 neighborhood, or rural district taken

1 into account for purposes of this para-
 2 graph is an underserved area; and

3 “(II) at the time of the approval,
 4 that the credit union is well capital-
 5 ized or adequately capitalized (as de-
 6 fined in section 216(c)(1)); and

7 “(ii) before the end of the 24-month
 8 period beginning on the date of the ap-
 9 proval, the credit union has established
 10 and maintains an ongoing method to pro-
 11 vide services in the local community, neigh-
 12 borhood, or rural district.

13 “(B) TERMINATION OF APPROVAL.—

14 “(i) IN GENERAL.—Any failure of a
 15 Federal credit union to meet the require-
 16 ment of clause (ii) of subparagraph (A) by
 17 the end of the 24-month period referred to
 18 in that clause shall constitute a termi-
 19 nation, as a matter of law, of any approval
 20 of an application under this paragraph by
 21 the Board with respect to the membership
 22 of the credit union.

23 “(ii) SIGNIFICANT UNMET NEEDS
 24 PLAN.—The Board may terminate the ap-
 25 proval of an application under this para-

1 graph with respect to the membership of a
2 Federal credit union upon a finding that
3 the credit union is not meeting the terms
4 of the significant unmet needs plan of the
5 credit union submitted under subsection
6 (h)(1).

7 “(C) CREDIT UNION REPORTING REQUIRE-
8 MENT.—Any Federal credit union that has an
9 application approved under this paragraph
10 shall, as part of the ordinary course of the ex-
11 amination cycle and supervision process, submit
12 a report to the Administration that includes—

13 “(i) the number of members of the
14 credit union who are members by reason of
15 the application;

16 “(ii) the number of offices or facilities
17 maintained by the credit union in the local
18 community, neighborhood, or rural district
19 taken into account by the Board in approv-
20 ing the application; and

21 “(iii) evidence, as specified by the
22 Board by regulation, demonstrating com-
23 pliance by the credit union with the signifi-
24 cant unmet needs plan submitted by the

1 credit union under subsection (h)(1), as
 2 specified by the Administration.

3 “(D) PUBLICATION BY ADMINISTRA-
 4 TION.—The Administration shall publish an an-
 5 nual report containing—

6 “(i) a list of all the applications ap-
 7 proved under this paragraph before the
 8 date on which the report is published;

9 “(ii) the number and locations of the
 10 underserved areas taken into account in
 11 approving those applications;

12 “(iii) the total number of members of
 13 credit unions who are members by reason
 14 of the approval of those applications; and

15 “(iv) evidence demonstrating compli-
 16 ance by credit unions with significant
 17 unmet needs plans submitted by the credit
 18 unions under subsection (h)(1), as speci-
 19 fied by the Administration.”;

20 (B) in subsection (e)(2), by inserting “sub-
 21 section (c)(2) and” after “provided in”; and

22 (C) by adding at the end the following:

23 “(h) ADDITIONAL REQUIREMENTS FOR COMMUNITY
 24 CREDIT UNIONS.—

1 “(1) IN GENERAL.—A Federal credit union de-
 2 siring a field of membership as a credit union de-
 3 scribed in subsection (b)(3) shall submit to the
 4 Board a business plan, which shall include, among
 5 other issues, a marketing plan that identifies—

6 “(A) the unique needs of the various demo-
 7 graphic groups in the proposed community; and

8 “(B) how the credit union will market to
 9 each group, particularly underserved groups, to
 10 address those needs.

11 “(2) PUBLIC COMMENT AND HEARING.—With
 12 respect to a Federal credit union desiring a field of
 13 membership as a credit union described in sub-
 14 section (b)(3) for an area with multiple political ju-
 15 risdictions with a population of not less than
 16 2,500,000, the Administration shall—

17 “(A) publish a notice in the Federal Reg-
 18 ister seeking comment from interested parties
 19 about the proposed community; and

20 “(B) conduct a public hearing regarding
 21 the application of the Federal credit union.”.

22 (b) REGULATIONS.—Not later than 1 year after the
 23 date of enactment of this Act, the National Credit Union
 24 Administration Board shall issue final regulations to im-
 25 plement the amendments made by subsection (a).

1 **SEC. 205. RAISING PUBLIC WELFARE CAPS.**

2 (a) NATIONAL BANKS.—The paragraph designated
3 as the “Eleventh.” of section 5136 of the Revised Statutes
4 of the United States (12 U.S.C. 24) is amended to read
5 as follows: “Eleventh. To make investments directly or in-
6 directly, each of which promotes the public welfare by ben-
7 efitting primarily low- and moderate-income communities
8 or families (such as by providing housing, services, or
9 jobs). An association shall not make any such investment
10 if the investment would expose the association to unlimited
11 liability. The Comptroller of the Currency shall limit an
12 association’s investments in any 1 project and an associa-
13 tion’s aggregate investments under this paragraph. Aggre-
14 gate investments for associations that do not meet the cri-
15 teria of being well capitalized, as defined in section 24.2(e)
16 of title 12, Code of Federal Regulations, or any successor
17 regulation, under this paragraph shall not exceed an
18 amount equal to the sum of 5 percent of the association’s
19 capital stock actually paid in and unimpaired and 5 per-
20 cent of the association’s unimpaired surplus fund, unless
21 the Comptroller determines by order that the higher
22 amount will pose no significant risk to the affected deposit
23 insurance fund, and the association is adequately capital-
24 ized. In no case shall aggregate investments of an associa-
25 tion that do not meet the criteria for being well capitalized
26 under this paragraph exceed an amount equal to the sum

1 of 15 percent of the association's capital stock actually
2 paid in and unimpaired and 15 percent of the association's
3 unimpaired surplus fund. Aggregate investments of well
4 capitalized associations, as defined in section 24.2(e) of
5 title 12, Code of Federal Regulations, or any successor
6 regulation, under this paragraph shall not exceed an
7 amount equal to the sum of 15 percent of the association's
8 capital stock actually paid in and unimpaired and 15 per-
9 cent of the association's unimpaired surplus fund, unless
10 the Comptroller determines by order that the higher
11 amount will pose no significant risk to the affected deposit
12 insurance fund. With respect to any association that meets
13 the criteria for being well capitalized, as defined in section
14 24.2(e) of title 12, Code of Federal Regulations, or any
15 successor regulation, aggregate investments under this
16 paragraph shall not exceed an amount equal to the sum
17 of 25 percent of the association's capital stock actually
18 paid in and unimpaired and 25 percent of the association's
19 unimpaired surplus fund. The foregoing standards and
20 limitations apply to investments under this paragraph
21 made by a national bank directly and by its subsidiaries.”.

22 (b) CONFORMING AMENDMENTS FOR STATE MEM-
23 BER BANKS.—The 23rd undesignated paragraph of sec-
24 tion 9 of the Federal Reserve Act (12 U.S.C. 338a) is
25 amended to read as follows:

1 “A State member bank may make investments di-
2 rectly or indirectly, each of which promotes the pub-
3 lic welfare by benefitting primarily low- and mod-
4 erate-income communities or families (such as by
5 providing housing, services, or jobs), to the extent
6 permissible under State law. A State member bank
7 shall not make any such investment if the invest-
8 ment would expose the State member bank to unlim-
9 ited liability. Aggregate investments for State mem-
10 ber banks that do not meet the criteria of being well
11 capitalized, as defined in section 208.43(b) of title
12 12, Code of Federal Regulations, or any successor
13 regulation, under this paragraph shall not exceed an
14 amount equal to the sum of 5 percent of the associa-
15 tion’s capital stock actually paid in and unimpaired
16 and 5 percent of the association’s unimpaired sur-
17 plus fund, unless the Board determines by order
18 that the higher amount will pose no significant risk
19 to the affected deposit insurance fund, and the asso-
20 ciation is adequately capitalized. In no case shall ag-
21 gregate investments of a State member bank that
22 does not meet the criteria for being well capitalized
23 under this paragraph exceed an amount equal to the
24 sum of 15 percent of the association’s capital stock
25 actually paid in and unimpaired and 15 percent of

1 the association's unimpaired surplus fund. Aggre-
2 gate investments of well capitalized State member
3 banks, as defined in section 208.43(b) of title 12,
4 Code of Federal Regulations, or any successor regu-
5 lation, with an examination rating under section 804
6 of the Community Reinvestment Act of 1977 (12
7 U.S.C. 2903) of 'outstanding' or 'satisfactory',
8 under this paragraph shall not exceed an amount
9 equal to the sum of 15 percent of the State member
10 bank's capital stock actually paid in and unimpaired
11 and 15 percent of the state member Bank's
12 unimpaired surplus fund, unless the Board deter-
13 mines by order that the higher amount will pose no
14 significant risk to the affected deposit insurance
15 fund. With respect to any State member bank that
16 meets meet the criteria for being well capitalized as
17 defined in section 208.43(b) of title 12, Code of
18 Federal Regulations, or any successor regulation,
19 with an examination rating under section 804 of the
20 Community Reinvestment Act of 1977 (12 U.S.C.
21 2903) of 'outstanding' or 'satisfactory', aggregate
22 investments under this paragraph shall not exceed
23 an amount equal to the sum of 25 percent of the
24 State member bank's capital stock actually paid in
25 and unimpaired and 25 percent of the State member

1 bank's unimpaired surplus fund. The foregoing
 2 standards and limitations apply to investments
 3 under this paragraph made by a State member bank
 4 directly and by its subsidiaries.”.

5 **SEC. 206. TEMPORARY ELIGIBILITY OF CERTAIN DIRECT**
 6 **DESCENDANTS OF CERTAIN VETERANS FOR**
 7 **HOUSING LOANS GUARANTEED BY THE SEC-**
 8 **RETARY OF VETERANS AFFAIRS.**

9 (a) IN GENERAL.—During the period described in
 10 subsection (b)—

11 (1) section 3701(b) of title 38, United States
 12 Code, shall be applied and administered by adding at
 13 the end the following new paragraph:

14 “(8)(A) The term ‘veteran’ also includes, for
 15 purposes of home loans, any direct descendant of a
 16 veteran described in subparagraph (B) if the de-
 17 scendant—

18 “(i) is living on the date of the enactment
 19 of the American Housing and Economic Mobil-
 20 ity Act of 2024;

21 “(ii) is a first-time homebuyer; and

22 “(iii) is a first-generation homebuyer.

23 “(B) A veteran described in this clause is a vet-
 24 eran who—

1 “(i) served on active duty at any time dur-
 2 ing the period between June 22, 1944, and
 3 April 11, 1968;

4 “(ii) is deceased; and

5 “(iii) did not receive a housing loan benefit
 6 under this chapter during his or her lifetime.

7 “(C) In this paragraph:

8 “(i) The term ‘direct descendant’ includes
 9 a legally adopted descendant.

10 “(ii) The terms ‘first-generation home-
 11 buyer’ and ‘first-time homebuyer’ have the
 12 meanings given those terms in section 201(a) of
 13 the American Housing and Economic Mobility
 14 Act of 2024.”; and

15 (2) section 3702(a)(2) of such title shall be ap-
 16 plied and administered by adding at the end the fol-
 17 lowing new subparagraph:

18 “(H) Each direct descendant described in sec-
 19 tion 3701(b)(8) of this title.”.

20 (b) PERIOD DESCRIBED.—The period described in
 21 this subsection is the period beginning one year after the
 22 date of the enactment of this Act and ending ten years
 23 after the date on which the Secretary of Veterans Affairs
 24 prescribes the regulations required by subsection (c).

25 (c) REGULATIONS.—

1 (1) IN GENERAL.—Not later than 180 days
 2 after the date of the enactment of this Act, the Sec-
 3 retary of Veterans Affairs shall prescribe regulations
 4 to carry out this section.

5 (2) ELEMENTS.—The regulations required by
 6 paragraph (1) shall provide rules and procedures for
 7 determining—

8 (A) the eligibility of a direct descendant
 9 for housing loan benefits under this section
 10 when the records of the Veterans Benefits Ad-
 11 ministration are incomplete or otherwise inad-
 12 equate to verify eligibility; and

13 (B) appropriate implementation of this sec-
 14 tion if more than one direct descendant of a
 15 veteran seeks housing loan benefits under this
 16 section.

17 **TITLE III—REMOVING BARRIERS** 18 **THAT ISOLATE COMMUNITIES**

19 **SEC. 301. EXPANDING RIGHTS UNDER THE FAIR HOUSING** 20 **ACT.**

21 (a) PURPOSES.—The purposes of the amendments
 22 made by this section are—

23 (1) to expand, as well as clarify, confirm, and
 24 create greater consistency in, the protections against

1 discrimination on the basis of all covered character-
2 istics; and

3 (2) to provide guidance and notice to individ-
4 uals, organizations, corporations, and agencies re-
5 garding their obligations under Federal law.

6 (b) AMENDMENTS TO THE FAIR HOUSING ACT.—
7 The Fair Housing Act (42 U.S.C. 3601 et seq.) is amend-
8 ed—

9 (1) in section 802 (42 U.S.C. 3602), by adding
10 at the end the following:

11 “(p) ‘Gender identity’ means the gender-related iden-
12 tity, appearance, or mannerisms or other gender-related
13 characteristics of an individual, regardless of the individ-
14 ual’s designated sex at birth.

15 “(q) ‘Marital status’ has the meaning given the term
16 in section 202.2 of title 12, Code of Federal Regulations,
17 or any successor regulation.

18 “(r) ‘Sexual orientation’ means homosexuality, het-
19 erosexuality, or bisexuality.

20 “(s) ‘Source of income’ includes income for which
21 there is a reasonable expectation that the income will con-
22 tinue from—

23 “(1) a profession, occupation, or job;

24 “(2) any government or private assistance,
25 grant, loan, or rental assistance program, including

1 vouchers issued under the United States Housing
2 Act of 1937 (42 U.S.C. 1437 et seq.);

3 “(3) a gift, an inheritance, a pension, an annu-
4 ity, alimony, child support, or other consideration or
5 benefit; or

6 “(4) the sale or pledge of property or an inter-
7 est in property.

8 “(t) ‘Veteran status’ means—

9 “(1) a member of the uniformed services, as de-
10 fined in section 101 of title 10, United States Code;
11 or

12 “(2) a veteran, as defined in section 101 of title
13 38, United States Code.”;

14 (2) in section 804 (42 U.S.C. 3604)—

15 (A) by inserting “actual or perceived” be-
16 fore “race, color” each place that term appears;

17 (B) by striking “sex,” each place that term
18 appears and inserting “sex (including sexual
19 orientation and gender identity), marital status,
20 source of income, veteran status,”; and

21 (C) in subsection (c)—

22 (i) by inserting “(1)” before “To
23 make”; and

24 (ii) by adding at the end the fol-
25 lowing:

1 “(2) Nothing in this title shall be construed to—

2 “(A) prohibit a lender from implementing a
3 loan program for veterans or based upon veteran
4 status; or

5 “(B) prohibit an entity from providing housing
6 assistance under—

7 “(i) section 8(o)(19) of the United States
8 Housing Act of 1937 (42 U.S.C. 1437f(o)(19));

9 “(ii) the Homeless Providers Grant and
10 Per Diem program of the Department of Vet-
11 erans Affairs; or

12 “(iii) any other Federal housing assistance
13 program for veterans or based on veteran sta-
14 tus.”;

15 (3) in section 805 (42 U.S.C. 3605)—

16 (A) by inserting “actual or perceived” be-
17 fore “race, color” each place that term appears;
18 and

19 (B) by striking “sex,” each place that term
20 appears and inserting “sex (including sexual
21 orientation and gender identity), marital status,
22 source of income, veteran status,”;

23 (4) in section 806 (42 U.S.C. 3606)—

24 (A) by inserting “actual or perceived” be-
25 fore “race, color”; and

1 (B) by striking “sex,” each place that term
 2 appears and inserting “sex (including sexual
 3 orientation and gender identity), marital status,
 4 source of income, veteran status,”; and

5 (5) in section 808(e)(6) (42 U.S.C. 3608(e)(6)),
 6 by striking “sex,” and inserting “sex (including sex-
 7 ual orientation and gender identity), marital status,
 8 source of income, veteran status,”.

9 (c) PREVENTION OF INTIMIDATION.—Section 901 of
 10 the Civil Rights Act of 1968 (42 U.S.C. 3631) is amend-
 11 ed—

12 (1) by inserting “actual or perceived” before
 13 “race, color” each place that term appears; and

14 (2) by striking “sex,” each place that term ap-
 15 pears and inserting “sex (including sexual orienta-
 16 tion (as such term is defined in section 802 of this
 17 Act) and gender identity (as defined in section 802
 18 of this Act)), marital status (as defined in section
 19 802), source of income (as defined in section 802),
 20 veteran status (as defined in section 802),”.

21 (d) RULE OF CONSTRUCTION.—Nothing in the
 22 amendments made by this section shall be construed to
 23 mean that a particular class of individuals was not pro-
 24 tected against discrimination under Federal law as in ef-
 25 fect on the day before the date of enactment of this Act.

1 **SEC. 302. IMPROVING OUTCOMES IN HOUSING ASSISTANCE**
 2 **PROGRAMS.**

3 (a) INDIAN HOUSING ASSISTANCE.—Section 502 of
 4 the Native American Housing Assistance and Self-Deter-
 5 mination Act of 1996 (25 U.S.C. 4181) is amended by
 6 adding at the end the following:

7 “(c) APPLICABILITY.—Subsections (a) and (b) shall
 8 not apply with respect to tenant-based assistance provided
 9 under section 8(o) of the United States Housing Act of
 10 1937 (42 U.S.C. 1437f(o)).”.

11 (b) SUPPLEMENTAL ADMINISTRATIVE FEE.—Section
 12 8(q)(2)(B) of the United States Housing Act of 1937 (42
 13 U.S.C. 1437f(q)(2)(B)) is amended by inserting “, includ-
 14 ing the cost of assisting families with children or families
 15 with a member with a disability that move to lower pov-
 16 erty, higher opportunity neighborhoods (as determined by
 17 the Secretary based on objective, evidence-based criteria)”
 18 after “programs”.

19 (c) REGIONAL PLANNING TO INCREASE ACCESS TO
 20 HIGHER OPPORTUNITY AREAS.—Section 8(o) of the
 21 United States Housing Act of 1937 (42 U.S.C. 1437f(o))
 22 is amended by adding at the end the following:

23 “(22) INCREASING ACCESS TO HIGHER OPPOR-
 24 TUNITY AREAS.—

25 “(A) LOCATION ANALYSIS.—

1 “(i) IN GENERAL.—A public housing
2 agency that administers the program
3 under this subsection in a metropolitan
4 area shall—

5 “(I) analyze the locations where
6 the participants in the program of the
7 public housing agency live; and

8 “(II) based on the analysis de-
9 scribed in subclause (I), establish poli-
10 cies and practices to reduce disparities
11 and barriers to access to locations
12 throughout the metropolitan area that
13 evidence indicates are more likely to
14 improve outcomes for children or
15 adults.

16 “(ii) CONSIDERATIONS.—The location
17 analysis required under this subparagraph
18 shall—

19 “(I) consider separately the loca-
20 tions of families with children, house-
21 holds that include a person with dis-
22 abilities, and other groups protected
23 under the Fair Housing Act (42
24 U.S.C. 3601 et seq.); and

1 “(II) include an analysis of the
2 locations in relation to dwelling units
3 with rents that are potentially afford-
4 able to voucher holders and the likely
5 impact of key neighborhood attributes
6 on their well-being and long-term suc-
7 cess, based on Federal and available
8 local data.

9 “(iii) MAPPING TOOLS.—The Sec-
10 retary shall—

11 “(I) provide mapping tools and
12 other information necessary for a pub-
13 lic housing agency to perform the lo-
14 cation analysis under this subpara-
15 graph using the demographic data on
16 participating families submitted to the
17 Secretary under part 908 of title 24,
18 Code of Federal Regulations, or any
19 successor regulation;

20 “(II) publish a notice in the Fed-
21 eral Register, subject to public com-
22 ment, that specifies the data sources
23 and definitions that will be incor-
24 porated in each mapping tool required
25 under subclause (I); and

1 “(III) update the notice required
 2 under subclause (II) as needed based
 3 on changes in the availability of rel-
 4 evant data or evidence of neighbor-
 5 hood attributes likely to impact the
 6 well-being and long-term success of
 7 participants in the program under this
 8 subsection.

9 “(iv) FREQUENCY AND AVAIL-
 10 ABILITY.—The location analysis required
 11 under this subparagraph shall—

12 “(I) be performed by each public
 13 housing agency described in clause (i)
 14 not less frequently than once every 5
 15 years;

16 “(II) be performed by all public
 17 housing agencies in a metropolitan
 18 area in the same year, as determined
 19 by the Secretary; and

20 “(III) be made available to the
 21 public in a manner that protects the
 22 privacy of program participants.

23 “(B) REGIONAL POLICIES TO INCREASE
 24 ACCESS TO HIGHER OPPORTUNITY NEIGHBOR-

HOODS.—Each public housing agency described
in subparagraph (A)(i) shall—

“(i) consult with other such public
housing agencies in the same metropolitan
area, or smaller regional area approved by
the Secretary, about the possible barriers
and other reasons for the disparities iden-
tified in the location analysis required
under subparagraph (A);

“(ii) identify policies or practices that
those public housing agencies could adopt
individually or in collaboration, or other
strategies that recipients of grants or other
funding from the Secretary could adopt, to
reduce the barriers and disparities and in-
crease the share of families with children
and other demographic groups using
vouchers in higher-opportunity neighbor-
hoods in the metropolitan area or region;
and

“(iii) include in the administrative
plan required under section 982.54 of title
24, Code of Federal Regulations, or any
successor regulation, the policies that the

1 public housing agency has adopted under
2 this paragraph.

3 “(C) ASSESSMENT.—The Secretary shall
4 include public housing agency performance in
5 achieving the goal described in subparagraph
6 (A)(i)(II) in the periodic assessment of agency
7 performance in managing the program under
8 this subsection required under part 985 of title
9 24, Code of Federal Regulations, or any suc-
10 cessor regulation.”.

11 (d) REQUIRED REGULATORY CHANGES TO PUBLIC
12 HOUSING AGENCY CONSORTIA.—

13 (1) DEFINITIONS.—In this subsection:

14 (A) MOVING TO WORK DEMONSTRATION
15 PROGRAM.—The term “Moving to Work dem-
16 onstration program” means the program estab-
17 lished under section 204 of the Departments of
18 Veterans Affairs and Housing and Urban De-
19 velopment, and Independent Agencies Appro-
20 priations Act, 1996 (Public Law 104–134; 110
21 Stat. 1321–281).

22 (B) PUBLIC HOUSING AGENCY.—The term
23 “public housing agency” has the meaning given
24 the term in section 3(b)(6) of the United States
25 Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

1 (2) REQUIREMENT.—Not later than 1 year
2 after the date of enactment of this Act, the Sec-
3 retary of Housing and Urban Development shall es-
4 tablish policies and procedures that—

5 (A) enable public housing agencies that
6 elect to operate in consortia under section 13(a)
7 of the United States Housing Act of 1937 (42
8 U.S.C. 1437k(a)), excluding public housing
9 agencies participating in the Moving to Work
10 demonstration program—

11 (i) to consolidate their funding con-
12 tracts for assistance provided under section
13 8(o) of such Act (42 U.S.C. 1437f(o)) into
14 a single contract;

15 (ii) to consolidate their funding con-
16 tracts for assistance provided under sub-
17 sections (d) and (e) of section 9 of such
18 Act (42 U.S.C. 1437g); or

19 (iii) to exercise the consolidation op-
20 tions under each of clauses (i) and (ii); and

21 (B) enable public housing agencies to form
22 partial consortia under such section 13(a) (42
23 U.S.C. 1437k(a)) that consolidate the adminis-
24 tration of certain aspects of their housing pro-
25 grams to increase access to higher-opportunity

1 areas or for other purposes, subject to such re-
 2 quirements as the Secretary may establish.

3 (3) MOVING TO WORK AGENCIES.—Any flexi-
 4 bility or waiver applicable to the Moving to Work
 5 demonstration program shall not apply to any activi-
 6 ties or funds administered through a partial consor-
 7 tium formed under paragraph (2)(B) by 1 or more
 8 public housing agencies participating in the Moving
 9 to Work demonstration program.

10 **TITLE IV—ESTATE TAX REFORM**

11 **SEC. 401. AMENDMENT TO INTERNAL REVENUE CODE OF** 12 **1986.**

13 Except as otherwise expressly provided, whenever in
 14 this title an amendment or repeal is expressed in terms
 15 of an amendment to, or repeal of, a section or other provi-
 16 sion, the reference shall be considered to be made to a
 17 section or other provision of the Internal Revenue Code
 18 of 1986.

19 **SEC. 402. RATE ADJUSTMENT.**

20 (a) INCREASE IN ESTATE TAX RATES.—The table
 21 contained in section 2001(c) is amended to read as follows:

If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Not over \$13,000,000	55 percent of such amount.
Over \$13,000,000 but not over \$93,000,000.	\$7,150,000, plus 60 percent of the excess of such amount over \$13,000,000.

**If the amount with respect to The tentative tax is:
which the tentative tax to
be computed is:**

Over \$93,000,000	\$55,150,000, plus 65 percent of the excess of such amount over \$93,000,000.
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1 (b) REDUCTION OF BASIC EXCLUSION AMOUNT.—
2 Paragraph (3) of section 2010(c) is amended to read as
3 follows:

4 “(3) BASIC EXCLUSION AMOUNT.—For pur-
5 poses of this subsection, the basic exclusion amount
6 is \$3,500,000.”.

7 (c) SURTAX ON BILLION DOLLAR ESTATES.—Section
8 2001 is amended—

9 (1) in subsection (b), by striking “The tax” and
10 inserting “Subject to subsection (h), the tax”, and

11 (2) by adding at the end the following new sub-
12 section:

13 “(h) SURTAX ON BILLION DOLLAR ESTATES.—

14 “(1) IN GENERAL.—In the case of a taxable es-
15 tate for which the applicable amount is in excess of
16 \$1,000,000,000, the tax determined under sub-
17 section (b) shall be increased by an amount equal to
18 10 percent of such applicable amount.

19 “(2) APPLICABLE AMOUNT.—For purposes of
20 this subsection, the applicable amount shall be equal
21 to the sum of the amounts under subparagraphs (A)

1 and (B) of paragraph (1) of subsection (b) for the
2 taxable estate.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to estates of decedents dying, and
5 generation-skipping transfers and gifts made, after the
6 date of the enactment of this Act.

7 **SEC. 403. REQUIRED MINIMUM 10-YEAR TERM, ETC., FOR**
8 **GRANTOR RETAINED ANNUITY TRUSTS.**

9 (a) **IN GENERAL.**—Subsection (b) of section 2702 is
10 amended—

11 (1) by redesignating paragraphs (1), (2), and
12 (3) as subparagraphs (A), (B), and (C), respectively,
13 and by moving such subparagraphs (as so redesign-
14 nated) 2 ems to the right;

15 (2) by striking “For purposes of” and inserting
16 the following:

17 “(1) **IN GENERAL.**—For purposes of”;

18 (3) by striking “paragraph (1) or (2)” in para-
19 graph (1)(C) (as so redesignated) and inserting
20 “subparagraph (A) or (B)”;

21 (4) by adding at the end the following new
22 paragraph:

23 “(2) **ADDITIONAL REQUIREMENTS WITH RE-**
24 **SPECT TO GRANTOR RETAINED ANNUITIES.**—For
25 purposes of subsection (a), in the case of an interest

1 described in paragraph (1)(A) (determined without
 2 regard to this paragraph) which is retained by the
 3 transferor, such interest shall be treated as de-
 4 scribed in such paragraph only if—

5 “(A) the right to receive the fixed amounts
 6 referred to in such paragraph is for a term of
 7 not less than 10 years,

8 “(B) such fixed amounts, when determined
 9 on an annual basis, do not decrease relative to
 10 any prior year during the first 10 years of the
 11 term referred to in subparagraph (A), and

12 “(C) the remainder interest has a value
 13 equal to or greater than 10 percent of the value
 14 of the assets transferred to the trust, deter-
 15 mined as of the time of the transfer.”.

16 (b) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to transfers made after the date
 18 of the enactment of this Act.

19 **SEC. 404. CERTAIN TRANSFER TAX RULES APPLICABLE TO**
 20 **GRANTOR TRUSTS.**

21 (a) IN GENERAL.—Subtitle B is amended by adding
 22 at the end the following new chapter:

23 **“CHAPTER 16—SPECIAL RULES FOR**
 24 **GRANTOR TRUSTS**

“Sec. 2901. Application of transfer taxes.

1 **“SEC. 2901. APPLICATION OF TRANSFER TAXES.**

2 “(a) IN GENERAL.—In the case of any portion of a
3 trust to which this section applies—

4 “(1) the value of the gross estate of the de-
5 ceased deemed owner of such portion shall include
6 all assets attributable to that portion at the time of
7 the death of such owner,

8 “(2) any distribution from such portion to one
9 or more beneficiaries during the life of the deemed
10 owner of such portion shall be treated as a transfer
11 by gift for purposes of chapter 12, and

12 “(3) if at any time during the life of the
13 deemed owner of such portion, such owner ceases to
14 be treated as the owner of such portion under sub-
15 part E of part 1 of subchapter J of chapter 1, all
16 assets attributable to such portion at such time shall
17 be treated for purposes of chapter 12 as a transfer
18 by gift made by the deemed owner.

19 “(b) PORTION OF TRUST TO WHICH SECTION AP-
20 PLIES.—This section shall apply to—

21 “(1) the portion of a trust with respect to
22 which the grantor is the deemed owner, and

23 “(2) the portion of the trust to which a person
24 who is not the grantor is a deemed owner by reason
25 of the rules of subpart E of part 1 of subchapter J
26 of chapter 1, and such deemed owner engages in a

1 sale, exchange, or comparable transaction with the
 2 trust that is disregarded for purposes of subtitle A.
 3 For purposes of paragraph (2), the portion of the trust
 4 described with respect to a transaction is the portion of
 5 the trust attributable to the property received by the trust
 6 in such transaction, including all retained income there-
 7 from, appreciation thereon, and reinvestments thereof, net
 8 of the amount of consideration received by the deemed
 9 owner in such transaction.

10 “(c) EXCEPTIONS.—This section shall not apply to—

11 “(1) any trust that is includible in the gross es-
 12 tate of the deemed owner (without regard to sub-
 13 section (a)(1)), and

14 “(2) any other type of trust that the Secretary
 15 determines by regulations or other guidance does not
 16 have as a significant purpose the avoidance of trans-
 17 fer taxes.

18 “(d) DEEMED OWNER DEFINED.—For purposes of
 19 this section, the term ‘deemed owner’ means any person
 20 who is treated as the owner of a portion of a trust under
 21 subpart E of part 1 of subchapter J of chapter 1.

22 “(e) REDUCTION FOR TAXABLE GIFTS TO TRUST
 23 MADE BY OWNER.—The amount to which subsection (a)
 24 applies shall be reduced by the value of any transfer by

1 gift by the deemed owner to the trust previously taken
 2 into account by the deemed owner under chapter 12.

3 “(f) LIABILITY FOR PAYMENT OF TAX.—Any tax im-
 4 posed pursuant to subsection (a) shall be a liability of the
 5 trust.”.

6 (b) CLERICAL AMENDMENT.—The table of chapters
 7 for subtitle B is amended by adding at the end the fol-
 8 lowing new item:

“CHAPTER 16. SPECIAL RULES FOR GRANTOR TRUSTS”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply—

11 (1) to trusts created on or after the date of the
 12 enactment of this Act;

13 (2) to any portion of a trust established before
 14 the date of the enactment of this Act which is attrib-
 15 utable to a contribution made on or after such date;
 16 and

17 (3) to any portion of a trust established before
 18 the date of the enactment of this Act to which sec-
 19 tion 2901(a) of the Internal Revenue Code of 1986
 20 (as added by subsection (a)) applies by reason of a
 21 transaction described in section 2901(b)(2) of such
 22 Code on or after such date.

1 **SEC. 405. ELIMINATION OF GENERATION-SKIPPING TRANS-**
 2 **FER TAX EXEMPTION FOR TRANSFERS TO**
 3 **CERTAIN PERSONS.**

4 (a) IN GENERAL.—Section 2642 is amended by add-
 5 ing at the end the following new subsection:

6 “(h) ELIMINATION OF GST EXEMPTION FOR TRANS-
 7 FERS TO CERTAIN PERSONS.—

8 “(1) IN GENERAL.—

9 “(A) TRANSFER TO NON-EXEMPT PER-
 10 SON.—In the case of any direct skip or taxable
 11 distribution made to any person who is not an
 12 exempt person, the inclusion ratio shall be 1.

13 “(B) TAXABLE TERMINATION.—In the
 14 case of any taxable termination which occurs at
 15 any time immediately after no exempt person is
 16 a beneficiary of the trust, the inclusion ratio
 17 shall be 1.

18 “(C) EXEMPT PERSON.—

19 “(i) IN GENERAL.—For purposes of
 20 this subsection, the term ‘exempt person’
 21 means—

22 “(I) a natural person—

23 “(aa) who is assigned to a
 24 generation which is 2 or fewer
 25 generations below the generation
 26 assignment of the transferor, or

1 “(bb) whose date of birth
2 precedes the date on which the
3 trust was created, or

4 “(II) a trust in which all inter-
5 ests are held by persons described in
6 subclause (I).

7 “(ii) EXCEPTION.—For purposes of
8 clause (i)(II), any interest which is used
9 primarily to postpone or avoid the applica-
10 tion of this subsection shall be disregarded.

11 “(2) DATE OF CREATION.—

12 “(A) IN GENERAL.—For purposes of deter-
13 mining the date on which a trust was created
14 under paragraph (1)(C)(i)(I)(bb), if the trust
15 was created before January 1, 2024, such trust
16 shall be deemed to have been created on Janu-
17 ary 1, 2024.

18 “(B) DATE OF CREATION OF POUR-OVER
19 TRUSTS.—

20 “(i) IN GENERAL.—In the case of any
21 generation-skipping transfer of property
22 which involves the transfer of property
23 from one trust to another trust, the date
24 of the creation of the transferee trust shall
25 be treated as being the earlier of—

1 “(I) the date of the creation of
2 such transferee trust, or

3 “(II) the date of the creation of
4 the transferor trust.

5 “(ii) MULTIPLE TRANSFERS.—In the
6 case of multiple transfers to which clause
7 (i) applies—

8 “(I) the date of the creation of
9 the transferor trust shall be deter-
10 mined under such clause, and

11 “(II) subsequent to the deter-
12 mination described in subclause (I),
13 the date of the creation of the trans-
14 feree trust shall be determined under
15 such clause.

16 “(3) GENERATION ASSIGNMENT.—For purposes
17 of this subsection, the provisions of section 2653(a)
18 shall not apply.

19 “(4) REGULATIONS.—The Secretary may pre-
20 scribe such regulations or other guidance as may be
21 necessary or appropriate to carry out this sub-
22 section.”.

23 (b) REPEAL.—Section 1433(b)(2) of the Tax Reform
24 Act of 1986 (Public Law 99–514) is repealed.

25 (c) EFFECTIVE DATES.—

1 (1) IN GENERAL.—The amendment made by
2 subsection (a) shall take effect on the date of the en-
3 actment of this Act.

4 (2) REPEAL.—The amendment made by sub-
5 section (b) shall apply to generation-skipping trans-
6 fers (within the meaning of section 2611 of the In-
7 ternal Revenue Code of 1986) made after the date
8 of enactment of this Act.

9 **SEC. 406. SIMPLIFYING GIFT TAX EXCLUSION FOR ANNUAL**
10 **GIFTS.**

11 (a) IN GENERAL.—Paragraph (1) of section 2503(b)
12 is amended to read as follows:

13 “(1) IN GENERAL.—

14 “(A) LIMIT PER DONEE.—In the case of
15 gifts made to any person by the donor during
16 the calendar year, the first \$10,000 of such
17 gifts to such person shall not, for purposes of
18 subsection (a), be included in the total amount
19 of gifts made during such year.

20 “(B) CUMULATIVE LIMIT PER DONOR.—

21 “(i) IN GENERAL.—The aggregate
22 amount excluded under subparagraph (A)
23 with respect to all transfers described in
24 clause (ii) made by the donor during the
25 calendar year shall not exceed twice the

1 dollar amount in effect under such sub-
2 paragraph for such calendar year.

3 “(ii) TRANSFERS SUBJECT TO LIMITA-
4 TION.—The transfers described in this
5 clause are—

6 “(I) a transfer in trust,

7 “(II) a transfer of an interest in
8 a passthrough entity,

9 “(III) a transfer of an interest
10 subject to a prohibition on sale, and

11 “(IV) any other transfer of prop-
12 erty that, without regard to with-
13 drawal, put, or other such rights in
14 the donee, cannot immediately be liq-
15 uidated by the donee.”.

16 (b) CONFORMING AMENDMENT.—Section 2503 is
17 amended by striking subsection (c).

18 (c) REGULATIONS.—The Secretary of the Treasury,
19 or the Secretary of the Treasury’s delegate, may prescribe
20 such regulations or other guidance as may be necessary
21 or appropriate to carry out the amendments made by this
22 section.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to any calendar year beginning
25 after the date of the enactment of this Act.

1 **SEC. 407. CLARIFICATION REGARDING DISALLOWANCE OF**
 2 **STEP-UP IN BASIS FOR PROPERTY HELD IN**
 3 **CERTAIN GRANTOR TRUSTS.**

4 (a) IN GENERAL.—Section 1014 is amended—

5 (1) by redesignating subsection (f) as sub-
 6 section (g), and

7 (2) by inserting after subsection (e) the fol-
 8 lowing:

9 “(f) PROPERTY HELD IN CERTAIN GRANTOR
 10 TRUSTS.—This section shall not apply to property—

11 “(1) held in a trust of which the transferor is
 12 considered the owner under subpart E of part I of
 13 subchapter J, and

14 “(2) if, after the transfer of such property to
 15 the trust, such property is not includible in the gross
 16 estate of the transferor for purposes of chapter 11.”.

17 (b) CONFORMING AMENDMENT.—Section 6662(k) is
 18 amended by striking “1014(f)” and inserting “1014(g)”.

19 (c) EFFECTIVE DATE.—The amendments made by
 20 this section shall apply to transfers after the date of the
 21 enactment of this Act.

22 (d) NO INFERENCE.—No inference may be drawn
 23 from the amendments made by this section with respect
 24 to the application of section 1014 of the Internal Revenue
 25 Code of 1986 to property described in subsection (f) of

1 such section (as added by subsection (a)) which was trans-
 2 ferred on or before the date of enactment of this Act.

3 **SEC. 408. LIMITATION ON DISCOUNTS; VALUATION RULES**
 4 **FOR CERTAIN TRANSFERS OF NONBUSINESS**
 5 **ASSETS.**

6 (a) IN GENERAL.—Chapter 14 of subtitle B is
 7 amended by adding at the end the following new section:

8 **“SEC. 2705. LIMITATION ON DISCOUNTS; VALUATION RULES**
 9 **FOR CERTAIN TRANSFERS OF NONBUSINESS**
 10 **ASSETS.**

11 “(a) LIMITATION ON DISCOUNT BY REASON OF FAM-
 12 ILY CONTROL.—

13 “(1) IN GENERAL.—For purposes of this sub-
 14 title, in the case of the transfer of any interest in
 15 an entity other than an interest which is actively
 16 traded (within the meaning of section 1092), if the
 17 transferor, the transferee, and members of the fam-
 18 ily of the transferor and transferee have control of
 19 such entity immediately before such transfer, no dis-
 20 count shall be allowed—

21 “(A) by reason of the fact that the trans-
 22 feror or transferee does not have control of
 23 such entity,

24 “(B) by reason of the lack of marketability
 25 of the interest, or

1 “(C) for any other reason.

2 “(2) DEFINITIONS.—In this subsection, the
3 terms ‘control’ and ‘member of the family’ have the
4 same meanings given such terms in section 2704(c).

5 “(3) ATTRIBUTION.—For purposes of this sec-
6 tion, the rule of section 2701(e)(3) shall apply for
7 purposes of determining the interests held by any in-
8 dividual.

9 “(b) VALUATION RULES FOR CERTAIN TRANSFERS
10 OF NONBUSINESS ASSETS.—

11 “(1) IN GENERAL.—For purposes of this sub-
12 title, in the case of the transfer of any interest in
13 an entity other than an interest which is actively
14 traded (within the meaning of section 1092)—

15 “(A) the value of any nonbusiness assets
16 held by the entity with respect to such interest
17 shall be determined as if the transferor had
18 transferred such assets directly to the trans-
19 feree (and no valuation discount shall be al-
20 lowed with respect to such nonbusiness assets),
21 and

22 “(B) such nonbusiness assets shall not be
23 taken into account in determining the value of
24 the interest in the entity.

1 “(2) NONBUSINESS ASSETS.—For purposes of
2 this subsection—

3 “(A) IN GENERAL.—The term ‘nonbusi-
4 ness asset’ means any asset other than an asset
5 which is used in the active conduct of a trade
6 or business.

7 “(B) PASSIVE ASSETS TREATED AS NON-
8 BUSINESS ASSETS.—

9 “(i) IN GENERAL.—For purposes of
10 subparagraph (A), a passive asset shall be
11 treated as a nonbusiness asset unless—

12 “(I) the asset is property de-
13 scribed in paragraph (1) or (4) of sec-
14 tion 1221(a) or is a hedge with re-
15 spect to such property, or

16 “(II) the asset is real property
17 used in the active conduct of 1 or
18 more real property trades or busi-
19 nesses (within the meaning of section
20 469(c)(7)(C)) in which the transferor
21 materially participates and with re-
22 spect to which the transferor meets
23 the requirements of section
24 469(c)(7)(B)(ii).

1 “(ii) MATERIAL PARTICIPATION.—For
 2 purposes of clause (i)(II), material partici-
 3 pation shall be determined under the rules
 4 of section 469(h), except that section
 5 469(h)(3) shall be applied without regard
 6 to the limitation to farming activity.

7 “(C) WORKING CAPITAL TREATED AS
 8 USED IN TRADE OR BUSINESS.—Any asset (in-
 9 cluding a passive asset) which is held as a part
 10 of the reasonably required working capital
 11 needs of a trade or business shall be treated as
 12 used in the active conduct of a trade or busi-
 13 ness.

14 “(3) PASSIVE ASSET.—For purposes of this
 15 subsection, the term ‘passive asset’ means any—

16 “(A) cash or cash equivalents,

17 “(B) stock in a corporation or any other
 18 equity, profits, or capital interest in any entity,

19 “(C) evidence of indebtedness, option, for-
 20 ward or futures contract, notional principal con-
 21 tract, or derivative,

22 “(D) asset described in clause (iii), (iv), or
 23 (v) of section 351(e)(1)(B),

24 “(E) annuity,

1 “(F) real property used in 1 or more real
2 property trades or businesses (as defined in sec-
3 tion 469(c)(7)(C)),

4 “(G) asset (other than a patent, trade-
5 mark, or copyright) which produces royalty in-
6 come,

7 “(H) commodity,

8 “(I) collectible (within the meaning of sec-
9 tion 408(m)), or

10 “(J) any other asset specified in regula-
11 tions prescribed by the Secretary.

12 “(4) LOOK-THRU RULE.—

13 “(A) IN GENERAL.—If a nonbusiness asset
14 of an entity described in paragraph (1) consists
15 of a 10-percent interest in any other entity, this
16 subsection shall be applied by disregarding the
17 10-percent interest and by treating the entity
18 as holding directly its ratable share of the as-
19 sets of the other entity.

20 “(B) 10-PERCENT INTEREST.—The term
21 ‘10-percent interest’ means—

22 “(i) in the case of an interest in a cor-
23 poration, direct ownership of at least 10
24 percent (by vote or value) of the stock in
25 such corporation,

1 “(ii) in the case of an interest in a
 2 partnership, direct ownership of at least 10
 3 percent of the capital or profits interest in
 4 the partnership, and

5 “(iii) in any other case, direct owner-
 6 ship of at least 10 percent of the beneficial
 7 interests in the entity.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 2031(b) of the Internal Revenue
 10 Code of 1986 is amended by inserting “(after appli-
 11 cation of section 2705(b))” after “shall be deter-
 12 mined”.

13 (2) The table of sections of chapter 14 of sub-
 14 title B of such Code is amended by adding at the
 15 end the following:

“Sec. 2705. Limitation on discounts; valuation rules for certain transfers of
 nonbusiness assets.”.

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to transfers after the date of the
 18 enactment of this Act.

19 **SEC. 409. SURCHARGE ON HIGH INCOME ESTATES AND**
 20 **TRUSTS.**

21 (a) IN GENERAL.—Subchapter A of chapter 1 is
 22 amended by adding at the end the following new part:

1 **“PART VIII—SURCHARGE ON HIGH INCOME**
2 **ESTATES AND TRUSTS**

“Sec. 59B. Surcharge on high income estates and trusts.

3 **“SEC. 59B. SURCHARGE ON HIGH INCOME ESTATES AND**
4 **TRUSTS.**

5 “(a) GENERAL RULE.—In the case of an estate or
6 trust, there is hereby imposed (in addition to any other
7 tax imposed by this subtitle) a tax equal to the sum of—

8 “(1) 5 percent of so much of the modified ad-
9 justed gross income of the taxpayer as exceeds
10 \$200,000, plus

11 “(2) 3 percent of so much of the modified ad-
12 justed gross income of the taxpayer as exceeds
13 \$500,000.

14 “(b) MODIFIED ADJUSTED GROSS INCOME.—For
15 purposes of this section—

16 “(1) IN GENERAL.—The term ‘modified ad-
17 justed gross income’ means adjusted gross income
18 reduced by any deduction (not taken into account in
19 determining adjusted gross income) allowed for in-
20 vestment interest (as defined in section 163(d)) or
21 business interest (as defined in section 163(j)).

22 “(2) ADJUSTED GROSS INCOME.—Adjusted
23 gross income shall be determined as provided in sec-
24 tion 67(e) and reduced by the amount allowed as a
25 deduction under section 642(c).

1 “(c) SPECIAL RULES.—

2 “(1) CHARITABLE TRUSTS.—Subsection (a)
3 shall not apply to a trust all the unexpired interests
4 in which are devoted to one or more of the purposes
5 described in section 170(c)(2)(B).

6 “(2) NOT TREATED AS TAX IMPOSED BY THIS
7 CHAPTER FOR CERTAIN PURPOSES.—The tax im-
8 posed under this section shall not be treated as tax
9 imposed by this chapter for purposes of determining
10 the amount of any credit under this chapter (other
11 than sections 27 and 901) or for purposes of section
12 55.

13 “(3) ELECTING SMALL BUSINESS TRUSTS.—For
14 purposes of the determination of adjusted gross in-
15 come, section 641(c)(1)(A) shall not apply and all
16 portions of any electing small business trust shall be
17 treated as a single trust.

18 “(d) REGULATIONS.—The Secretary shall issue such
19 regulations or other guidance as may be necessary or ap-
20 propriate to carry out the purposes of this section, includ-
21 ing regulations or other guidance to prevent the avoidance
22 of the purposes of this section.”.

23 (b) COORDINATION WITH CERTAIN PROVISIONS.—

24 (1) INTEREST ON CERTAIN DEFERRED TAX LI-
25 ABILITY.—Section 453A(c) is amended by redesign-

1 nating paragraph (6) as paragraph (7) and by in-
 2 serting after paragraph (5) the following new para-
 3 graph:

4 “(6) SURCHARGE ON HIGH INCOME ESTATES
 5 AND TRUSTS TAKEN INTO ACCOUNT IN DETER-
 6 MINING MAXIMUM RATE OF TAX.—For purposes of
 7 paragraph (3)(B), in the case of an estate or trust,
 8 the maximum rate of tax in effect under section 1
 9 shall be treated as being equal to the sum of such
 10 rate and the rates in effect under paragraphs (1)
 11 and (2) of section 59B(a).”.

12 (2) LIMITATION ON FOREIGN TAX CREDIT.—

13 (A) Section 904(b)(3)(E)(i)(I) is amended
 14 by inserting “increased, in the case of an estate
 15 or trust, by the sum of the rates set forth in
 16 paragraphs (1) and (2) of section 1A(a)” after
 17 “(whichever applies)”.

18 (B) Section 904(d)(2)(F) is amended by
 19 adding at the end the following: “For purposes
 20 of the first sentence of this subparagraph, in
 21 the case of an estate or trust, the highest rate
 22 of tax specified in section 1 shall be treated as
 23 being equal to the sum of such rate and the
 24 rates in effect under paragraphs (1) and (2) of
 25 section 59B(a).”.

1 (3) ELECTION BY INDIVIDUALS TO BE SUBJECT
 2 TO TAX AT CORPORATE RATES.—Section 962(a)(1)
 3 is amended by striking “and 55” and inserting 55“,
 4 and 59B”.

5 (4) INTEREST ON CERTAIN TAX DEFERRAL.—
 6 Section 1291(c)(2) is amended by adding at the end
 7 the following: “For purposes of the preceding sen-
 8 tence, in the case of an estate or trust, the highest
 9 rate of tax in effect under section 1 shall be treated
 10 as being equal to the sum of such rate and the rates
 11 in effect under paragraphs (1) and (2) of section
 12 59B(a).”.

13 (5) WITHHOLDING OF TAX ON FOREIGN PART-
 14 NERS’ SHARE OF EFFECTIVELY CONNECTED IN-
 15 COME.—Section 1446(b)(2) is amended by adding at
 16 the end the following flush sentence:

17 “For purposes of subparagraph (A), in the case of
 18 a partner which is an estate or trust, the highest
 19 rate of tax in effect under section 1 shall be treated
 20 as being equal to the sum of such rate and the rates
 21 in effect under paragraphs (1) and (2) of section
 22 59B(a).”.

23 (6) PARTNERSHIP ADJUSTMENTS.—

24 (A) Section 6225(b)(1) is amended by add-
 25 ing at the end the following flush sentence:

1 “For purposes of subparagraph (B), in the case of
 2 an estate or trust, the highest rate of tax in effect
 3 under section 1 shall be treated as being equal to
 4 the sum of such rate and the rates in effect under
 5 paragraphs (1) and (2) of section 59B(a).”.

6 (B) Section 6225(c)(4)(A) is amended—

7 (i) by striking “subsection (b)(1)(A)”
 8 and inserting “subsection (b)(1)(B)”, and

9 (ii) by striking “or” at the end of
 10 clause (i), by adding “or” at the end of
 11 clause (ii), and by inserting after clause
 12 (ii) the following new clause:

13 “(iii) is not an estate or trust subject
 14 to one or both of the rates of tax in effect
 15 under paragraphs (1) and (2) of section
 16 59B(a).”.

17 (7) REQUIRED PAYMENTS FOR ENTITIES
 18 ELECTING NOT TO HAVE REQUIRED TAXABLE
 19 YEAR.—The second sentence of section 7519(b) is
 20 amended by inserting “and, in the case of an estate
 21 or trust, increased by the sum of the rates in effect
 22 under paragraphs (1) and (2) of section 59B(a)” be-
 23 fore the period at the end.

1 (c) CLERICAL AMENDMENT.—The table of parts for
 2 subchapter A of chapter 1 is amended by adding at the
 3 end the following new item:

“PART VIII—SURCHARGE ON HIGH INCOME ESTATES AND TRUSTS”.

4 (d) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to taxable years beginning after
 6 the date of the enactment of this Act.

7 **SEC. 410. MODIFICATION OF RULES FOR VALUE OF CER-**
 8 **TAIN FARM, ETC., REAL PROPERTY.**

9 (a) IN GENERAL.—Paragraph (2) of section
 10 2032A(a) of the Internal Revenue Code of 1986 is amend-
 11 ed by striking “\$750,000” and inserting “\$3,000,000”.

12 (b) INFLATION ADJUSTMENT.—Paragraph (3) of sec-
 13 tion 2032A(a) of such Code is amended—

14 (1) by striking “1998” and inserting “2025”,

15 (2) by striking “\$750,000” each place it ap-
 16 pears and inserting “\$3,000,000”, and

17 (3) by striking “calendar year 1997” and in-
 18 serting “calendar year 2024” in subparagraph (B).

19 (c) EFFECTIVE DATE.—The amendments made by
 20 this section shall apply to estates of decedents dying, and
 21 gifts made, after December 31, 2024.

1 **SEC. 411. MODIFICATION OF ESTATE TAX RULES WITH RE-**
2 **SPECT TO LAND SUBJECT TO CONSERVATION**
3 **EASEMENTS.**

4 (a) MODIFICATION OF EXCLUSION LIMITATION.—
5 Subparagraph (B) of section 2031(c)(1) of the Internal
6 Revenue Code of 1986 is amended by striking “\$500,000”
7 and inserting “\$2,000,000”.

8 (b) MODIFICATION OF APPLICABLE PERCENTAGE.—
9 Paragraph (2) of section 2031(c) of the Internal Revenue
10 Code of 1986 is amended by striking “40 percent” and
11 inserting “60 percent”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to estates of decedents dying, and
14 gifts made, after December 31, 2024.

15 **TITLE V—ACCESSIBILITY**
16 **REQUIREMENTS**

17 **SEC. 501. ACCESSIBILITY REQUIREMENTS.**

18 In the case of housing that is constructed, altered,
19 or otherwise assisted using amounts made available to the
20 Secretary of Housing and Urban Development under this
21 Act or an amendment made by this Act, sections 8.22 and
22 8.23 of title 24, Code of Federal Regulations (or any suc-
23 cessor regulations) shall be applied such that the number
24 of dwelling units required to be accessible under those sec-

- 1 tions is twice the number that would otherwise be required
- 2 to be accessible under those sections.

