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Congress's First Major Housing Overhaul in a Generation Reaches the Finish Line

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The political theme of 2026, as both parties prepared for the mid-term elections, was supposed to be affordability. The centerpiece legislative effort on that theme is the 21st Century Road to Housing Act, which has been working its way through Congress since August 2025 but has finally reached the end of its long, drawn-out journey.

Key Takeaways

- The bill becomes law tomorrow (July 10) without the President's signature—the first comprehensive federal housing reform in a generation.
- The legislation spans nearly 50 provisions touching environmental review, zoning, federal grants, lending, inspections, and corporate ownership of single-family homes.
- Implementation will unfold over months and years through HUD guidance, rulemaking, and local government action.

Background and Path to Passage

The bill is the first wide-ranging housing reform that Congress has passed in a generation. It was supported by over 90% of both the House and Senate and was backed by a broad coalition of industry and activists. The bill seeks to increase availability and lower the cost of housing and home ownership in the US.

Congress passed the bill in June, but President Trump announced about 90 minutes before the scheduled signing ceremony that he would not sign it. (The President said he wanted the SAVE AMERICA ACT, an election integrity and voter security bill, passed first.) Congressional leaders at first held off from officially presenting the bill for signature, but eventually the bill was sent to the White House, and the Constitutionally mandated 10-day clock for the President to either veto or let it become law without his signature expires tomorrow: Friday, July 10.

Speaker Mike Johnson has said he does not expect President Trump to veto the bill, and that it will become law when the 10-day period is over.

The legislation was led by Senators Tim Scott (R-SC) and Elizabeth Warren (D-MA) and Representatives French Hill (R-AR) and Maxine Waters (D-CA) in the House. The bill passed the House three times and the Senate twice in different versions over the last several months as the

two chambers moved towards this agreement. Final passage in both chambers was strongly bipartisan, which is increasingly rare.

What's in the Bill?

The bill generated its bipartisan appeal by incorporating policy priorities from both sides of the aisle—it is 381 pages and contains nearly 50 provisions. These provisions run the gamut of the political spectrum; some encourage production by cutting federal red tape, others encourage production by adjusting federal grant making. Some environmental reviews are streamlined, as are some federal homelessness grants. There are nine more indirect provisions that reduce regulation on community banks to encourage mortgage lending. (Also included is one provision that prohibits the Federal Reserve from creating a central bank digital currency until at least 2030—housing issues are handled by the same congressional committees that also cover banking, and they took advantage of the opportunity).

Corporate Ownership

The most attention-grabbing provision, and the one that probably caused the most contention, prohibits corporations from owning more than 350 existing single-family homes. The final bill backs off the stricter language first included in the Senate version, allowing exceptions for build-to-rent units and not requiring corporations to sell homes purchased before the measure became law.

Notable Provisions

Other notable provisions include:

Streamlining Environmental Review & Permitting

- Streamlining environmental reviews to speed the process of constructing homes by authorizing HUD to simplify compliance, delegate certain environmental review responsibilities to local governments, and expand categorical exclusions.
- Exempting from the National Environmental Policy Act of 1969 (NEPA) most Rural Housing Service funded projects regarding the construction or modification of residential housing located on an infill site, and "right-sizes" NEPA review for small and infill housing projects.

Zoning, Land Use & Building Design

- Mandating that HUD offer guidance on how to best reform zoning and land-use policies to reduce barriers to housing development and establish guidelines and grants for point-access block buildings.
- Providing grants to local governments to select and implement pre-reviewed housing designs to streamline affordable housing construction.
- No longer requiring contractors to build manufactured homes on a

steel frame with wheels and an axle and increasing the loan limits of FHA-insured manufactured housing loans.

Financing & Lending

- Authorizing a HUD pilot program to increase access to small-dollar mortgages with original principal balances of \$100,000 or less.
- Updating (from 2004) and indexing FHA multifamily loan limits to better match current housing market costs.

Federal Grants & Incentives

- Creating a pilot grant program to help local governments convert vacant commercial or industrial buildings into affordable housing, with priority for economically distressed areas.
- Offering rewards to cities that build new homes by tying some federal grant funding to their housing production with bonuses and reductions for homebuilding results.
- Expanding some federal grant funding for usage for the construction of new affordable housing.

Inspections, Appraisals & Workforce

- Reducing delays in HUD inspections by allowing units to meet inspection requirements if they have passed an inspection within the past year.
- Reforming appraisal licensing and training standards and authorizing grants to support appraisal workforce development.

The 21st Century Road to Housing Act contains many broad ranging provisions that will be interpreted and enacted by federal and local officials. Holland & Hart's experienced attorneys and government affairs professionals help clients navigate and remain compliant with new statutes and evolving regulatory frameworks, including changes made by this bill, as well as develop strategies to influence ongoing development, administration, and anticipated revisions of legislation.

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