As of the drafting of this update, housing legislation continues to advance on Capitol Hill, despite comments from President Trump that housing is an afterthought to voters (and thus himself). The President's indifference, as well as the Senate authors decision not to consult their House counterparts during the drafting process, could lead to the demise of critical legislation we have been working on for over a year. Here is what's going on.

On Thursday, March 12th, the Senate took the latest step in advancing the housing regulatory reform legislation. By an overwhelming vote of 89-10, the chamber passed the 21st Century ROAD to Housing Act. The bill includes a number of bipartisan proposals which we support and have been working on in both the House and Senate. Here is a section-by-section description of the bill.

The Senate legislation includes provisions to:

- Lift the RAD cap. (Sec. 201)
- Lift the public welfare investment (PWI) cap from 15 to 20 percent (Sect. 204). ThisLIHTC industry priority has the potential to increase equity investment by financial institutions that are bumping up against the 15% cap.
- Streamline NEPA reviews for small and infill housing projects. (Sec. 208).
- Reform the HOME program. (see Sec. 502). As we previously noted, the Senate bill does not include the benign language substituted in the House bill that would have required a study of the Build America/Buy America program and recommendations for changes. We continue to work on BABA through a variety of avenues.
- A ban on institutional investors from buying single family homes. (See Sec. 901)
    - Despite considerable feedback and lobbying by the affordable housing industry as well as our market-rate colleagues, the Banking Committee did not amend the language to exempt Build-to-Rent housing from the mandate. Nor did they remove the requirement to sell properties after seven years. The proposal could adversely impact some Housing Credit properties, as it does not clearly exempt the Housing Credit from the forced sale of build-to-rent properties after seven years.

We now get to the potential significance of the President's indifference toward housing. The legislation now sits in the House, where without significant pressure from the President himself, all indications lead us to believe the House will demand a conference with the Senate to meld provisions they favor that were not included in the Senate bill. This includes amending the private equity and crypto-currency language which does not enjoy the support of many House lawmakers. A conference is uncommon these days but senior House leaders, including Financial Services Chair French Hill (R-AR) and Cong. Mike Flood (R-NE) as well as Speaker Johnson and Majority Leader Scalise have indicated a conference with the Senate is necessary to

resolve the differences in the bills. This could drag out the process and puts the legislation in jeopardy of not passing this Congress.

This is likely our last chance to pass significant housing legislation in the 119th Congress. Primary season has begun and the politics of the mid-term elections is already dominating floor time and decision making on Capitol Hill. We will be working to advance the regulatory reform bill to the President's desk, with the hope that the Congress does not steal defeat from the jaws of victory.