

117TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To make housing more affordable, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Ms. WARREN (for herself, Mr. MARKEY, Mrs. GILLIBRAND, Mr. SANDERS, Ms. HIRONO, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**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 2021”.

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 communities formerly segregated by law.
- 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. Eligibility of certain direct descendants of certain veterans for housing loans guaranteed by the Secretary of Veterans Affairs.

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 certain trusts.
- Sec. 406. Simplifying gift tax exclusion for annual gifts.

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

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

12                   (A) a State; or

1 (B) a unit of general local government.

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

6 (4) METROPOLITAN AREA; STATE; UNIT OF  
7 GENERAL LOCAL GOVERNMENT.—The terms “metro-  
8 politan area”, “State”, and “unit of general local  
9 government” have the meanings given those terms in  
10 section 102 of the Housing and Community Devel-  
11 opment Act of 1974 (42 U.S.C. 5302).

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

14 (b) ESTABLISHMENT.—Not later than 1 year after  
15 the date of enactment of this Act, the Secretary shall es-  
16 tablish a program to make grants to eligible entities  
17 that—

18 (1) reform local land use restrictions to bring  
19 down the costs of producing affordable housing; and

20 (2) remove unnecessary barriers to building af-  
21 fordable units in their communities.

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

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

4           (2) carry out any of the activities permitted  
5           under the program for national infrastructure in-  
6           vestments (commonly known as the “Better Utilizing  
7           Investments to Leverage Development (BUILD) dis-  
8           cretionary grant program”) authorized under the  
9           heading “NATIONAL INFRASTRUCTURE INVEST-  
10          MENTS” under the heading “OFFICE OF THE SEC-  
11          RETARY” in title I of division L of the Consolidated  
12          Appropriations Act, 2018 (Public Law 115–141;  
13          132 Stat. 972) or a subsequent appropriations Act;  
14          or

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

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

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

24          (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-

1       mitted under paragraph (1) a description of how the  
2       planning and development of eligible activities de-  
3       scribed in subsection (c) may advance an objective,  
4       or an aspect of an objective, included in the com-  
5       prehensive housing affordability strategy and com-  
6       munity development plan of the eligible entity under  
7       part 91 of title 24, Code of Federal Regulations, or  
8       any successor regulation (commonly referred to as a  
9       “consolidated plan”).

10       (e) LABOR LAWS.—

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

21           (2) AUTHORITY AND FUNCTIONS.—With re-  
22       spect to the labor standards specified in paragraph  
23       (1), the Secretary of Labor shall have the authority  
24       and functions set forth in Reorganization Plan  
25       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 2022 through  
6 2026.

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 2022 through 2031.”.

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 2022  
24 through 2031.”.

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 \$3,592,000,000 for fiscal year 2022.”.

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 2022 and  
14 such sums as may be necessary for each of fiscal  
15 years 2023 through 2031”; 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 “20,000,000 for fiscal year 2022  
23 and such sums as may be necessary for each of fiscal years  
24 2023 through 2031”.

1 (f) RURAL HOUSING PROGRAMS.—Out of funds in  
2 the Treasury not otherwise appropriated, there is appro-  
3 priated for fiscal year 2022—

4 (1) to provide direct loans under section 502 of  
5 the Housing Act of 1949 (42 U.S.C. 1472),  
6 \$140,000,000;

7 (2) to provide assistance under section 514 of  
8 such Act (42 U.S.C. 1484), \$28,000,000;

9 (3) to provide assistance under section 515 of  
10 such Act (42 U.S.C. 1485), \$140,000,000;

11 (4) to provide assistance under section 516 of  
12 such Act (42 U.S.C. 1486), \$20,000,000;

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)), \$120,000,000.

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;

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

6 (C) a requirement that all housing units  
7 constructed or acquired using grants awarded  
8 under the subsection are affordable to residents  
9 making less than 120 percent of the area me-  
10 dian income in perpetuity.

11 (7) APPROPRIATIONS.—Out of funds in the  
12 Treasury not otherwise appropriated, there is appro-  
13 priated to the fund established under this subsection  
14 \$4,000,000,000 for fiscal year 2022.

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

18 (a) FINDINGS.—Congress finds that—

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

24 (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) DEFINITION.—In this section, the term ‘commu-  
8 nity partner’ has the meaning given the term in section  
9 259.

10 “(b) RESTRICTION ON SALE OR TRANSFER.—Except  
11 as provided in this section, the Secretary may not sell or  
12 transfer any mortgage insured under this title that is se-  
13 cured by a single-family residential property (in this sec-  
14 tion referred to as a ‘covered mortgage’).

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

16 “(1) IN GENERAL.—The Secretary—

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

19 “(i) the capital level of the Fund is  
20 substantially below the capital ratio re-  
21 quired under section 205(f)(2);

22 “(ii) the Secretary certifies that other  
23 reasonable measures are not available to  
24 restore the Fund to that capital ratio; and



1 consider borrowers in default for those  
2 options;

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

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

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

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

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

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

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

10                  “(3) CERTIFICATION REQUIREMENT FOR LEND-  
11                  ERS AND SERVICERS.—

12                   “(A) CERTIFICATION.—As a condition to  
13                   payment of an insurance claim under this title  
14                   in connection with any non-performing loan  
15                   sale, the lender or servicer of the loan shall pro-  
16                   vide the Secretary and the borrower with writ-  
17                   ten certification of the loss mitigation review  
18                   contained in the FHA Single Family Housing  
19                   Policy Handbook 4000.1, or any successor  
20                   handbook.

21                   “(B) FALSE STATEMENTS.—

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

1                   “(I) recovery by the Secretary of  
2                   any amounts paid under the insurance  
3                   claim and any other penalties and  
4                   sanctions authorized under Federal  
5                   law; and

6                   “(II) a private right of action by  
7                   the borrower against the lender and  
8                   servicer, with remedies to include  
9                   compensatory and punitive damages  
10                  and an assessment of costs and attor-  
11                  ney’s fees.

12                  “(ii) TRANSFERS.—Unless a bona fide  
13                  purchaser has acquired title to the prop-  
14                  erty as a primary residence—

15                  “(I) a certification described in  
16                  subparagraph (A) that contains a  
17                  false statement shall be a basis for re-  
18                  voking the transfer of the property;  
19                  and

20                  “(II) the pre-sale lender and  
21                  servicer of the property shall—

22                  “(aa) resume servicing the  
23                  loan as a loan insured under this  
24                  title; and

1                   “(bb) reimburse the Sec-  
2                   retary for any insurance claim  
3                   paid and all costs related to the  
4                   sale of the property.

5                   “(4) REQUIREMENTS FOR PURCHASERS.—

6                   “(A) IN GENERAL.—Each purchaser of a  
7                   covered mortgage shall offer the borrower on  
8                   the covered mortgage—

9                   “(i) appropriate loss mitigation op-  
10                  tions, including affordable and sustainable  
11                  loan modifications; and

12                  “(ii) the opportunity for a short sale  
13                  or a deed in lieu of foreclosure.

14                  “(B) LOSS MITIGATION OPTIONS.—The  
15                  specific formula, calculations, waterfall steps,  
16                  and other terms for appropriate loss mitigation  
17                  options described in subparagraph (A) shall be  
18                  published by the Secretary, made available to  
19                  the public, and included in a written notice  
20                  given to borrowers before any acceleration or  
21                  foreclosure is initiated after a loan sale.

22                  “(5) REQUIREMENTS FOR TRANSFEREES.—

23                  With respect to a transferee, including any subse-  
24                  quent transferee, of a covered mortgage that is sold  
25                  under this title—

1           “(A) the transferee shall certify in writing  
2           to the Secretary that the transferee will comply  
3           with the provisions of this section in the mar-  
4           keting and transfer of any property received in  
5           the disposition of any transferred loan;

6           “(B) the transferee shall provide to the  
7           Secretary records documenting that the trans-  
8           fers of those properties are in compliance with  
9           this section; and

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

18           “(d) LIMITATIONS.—With respect to covered mort-  
19           gages that are sold under this title and foreclosed upon  
20           by the buyer, not less than 90 percent of the properties  
21           that are the subject of the covered mortgages in an auc-  
22           tion shall be—

23           “(1) sold to owner-occupants;

24           “(2) operated or transferred to an entity that  
25           will operate the property as affordable rental hous-



1       ing for households below 80 percent of the area me-  
2       dian income for a period of not less than 15 years;  
3       or

4               “(3) transferred or donated to a nonprofit  
5       agency that is certified by the Secretary and will re-  
6       develop the property for owner occupancy or afford-  
7       able rental housing.

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

10               “(1) identify and recruit community partners;

11               “(2) engage in consultations with community  
12       partners before the sale of a pool of covered mort-  
13       gages under this title to determine whether that sale  
14       can be designed to meet the specific needs of the  
15       communities served by the community partners; and

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

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

22                               “(i) the current fair market value of  
23       the properties; and

24                               “(ii) the potential impact of fore-  
25       closures on those properties to the value of

1 other homes that secure mortgages insured  
2 under this title in the same census tract;  
3 or

4 “(B) in the case of an auction, if the win-  
5 ning bid is not from a community partner, per-  
6 mitting any community partner that bid during  
7 that same auction to have a final opportunity to  
8 enter a higher bid on the pool.”.

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

12 “(d)(1) The corporation may not sell or transfer any  
13 mortgage that is secured by a single-family residential  
14 property (in this subsection referred to as a ‘covered mort-  
15 gage’) under this section unless the requirements of this  
16 subsection are met.

17 “(2)(A) If the corporation intends to sell or transfer  
18 a covered mortgage, the corporation shall provide the cur-  
19 rent borrower and all owners of record of the property se-  
20 curing the covered mortgage, or require that the current  
21 borrower and owners of record be provided, a separate  
22 written notice of the intent to sell the covered mortgage  
23 that—

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

4           “(ii) includes—

5                 “(I) a description of the loss mitigation op-  
6                 tions of the corporation that are available to  
7                 borrowers in financial distress and the obliga-  
8                 tion of servicers to consider borrowers in de-  
9                 fault for those options;

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

13                “(III) a description of the procedures the  
14                borrower may use to contest with the corpora-  
15                tion the compliance by the servicer with that  
16                obligation.

17           “(B) The corporation may not sell any covered mort-  
18           gage through any type of non-performing loan sale auction  
19           program until the corporation issues rules, through the no-  
20           tice and comment rule making procedures under section  
21           553 of title 5, United States Code, that address essential  
22           aspects of any non-performing loan sale program, includ-  
23           ing—

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

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

3           “(iii) review of loss mitigation status prior to  
4           the sale, selection of eligible bidders, loss mitigation  
5           guidelines applicable to loan purchasers, and report-  
6           ing requirements for purchasers.

7           “(3)(A) Each purchaser of a covered mortgage shall  
8           offer the borrower on the covered mortgage—

9           “(i) appropriate loss mitigation options, includ-  
10          ing affordable and sustainable loan modifications;  
11          and

12          “(ii) the opportunity for a short sale or a deed  
13          in lieu of foreclosure.

14          “(B) The specific formula, calculations, waterfall  
15          steps, and other terms for appropriate loss mitigation op-  
16          tions described in subparagraph (A) shall be published by  
17          the corporation, made available to the public, and included  
18          in a written notice given to borrowers before any accelera-  
19          tion or foreclosure is initiated after a loan sale.

20          “(4) With respect to a transferee, including any sub-  
21          sequent transferee, of a covered mortgage that is sold by  
22          the corporation under this section—

23          “(A) the transferee shall certify in writing to  
24          the corporation that the transferee will comply with  
25          the provisions of this subsection in the marketing

1 and transfer of any property received in the disposi-  
2 tion of any transferred loan;

3 “(B) the transferee shall provide to the corpora-  
4 tion records documenting that the transfers of those  
5 properties are in compliance with this subsection;  
6 and

7 “(C) the failure of the corporation or the trans-  
8 feree to comply with the requirements under this  
9 subsection for a loan in default shall be a defense to  
10 foreclosure, and a transferee may not execute a fore-  
11 closure judgment or order of sale, or conduct a fore-  
12 closure sale, until the transferee has complied with  
13 all requirements under this subsection.

14 “(5) With respect to covered mortgages that are sold  
15 by the corporation under this section and foreclosed upon  
16 by the buyer, not less than 90 percent of the properties  
17 that are the subject of the covered mortgages in an auc-  
18 tion shall be—

19 “(A) sold to owner-occupants;

20 “(B) operated or transferred to an entity that  
21 will operate the property as affordable rental hous-  
22 ing for households below 80 percent of the area me-  
23 dian income for a period of not less than 15 years;  
24 or



1                   “(ii) in the case of an auction, if the win-  
2                   ning bid is not from a community partner, per-  
3                   mitting any community partner that bid during  
4                   that same auction to have a final opportunity to  
5                   enter a higher bid on the pool.”.

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

9           “(e)(1) The Corporation may not sell or transfer any  
10 mortgage that is secured by a single-family residential  
11 property (in this subsection referred to as a ‘covered mort-  
12 gage’) under this section unless the requirements of this  
13 subsection are met.

14           “(2)(A) If the Corporation intends to sell or transfer  
15 a covered mortgage, the Corporation shall provide the cur-  
16 rent borrower and all owners of record of the property se-  
17 curing the covered mortgage, or require that the current  
18 borrower and owners of record be provided, a separate  
19 written notice of the intent to sell the covered mortgage  
20 that—

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

24                   “(ii) includes—

1           “(I) a description of the loss mitigation op-  
2           tions of the Corporation that are available to  
3           borrowers in financial distress and the obliga-  
4           tion of servicers to consider borrowers in de-  
5           fault for those options;

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

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

13          “(B) The Corporation may not sell any covered mort-  
14          gage through any type of non-performing loan sale auction  
15          program until the Corporation issues rules, through the  
16          notice and comment rule making procedures under section  
17          553 of title 5, United States Code, that address essential  
18          aspects of any non-performing loan sale program, includ-  
19          ing—

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

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

23                 “(iii) review of loss mitigation status prior to  
24          the sale, selection of eligible bidders, loss mitigation



1 guidelines applicable to loan purchasers, and report-  
2 ing requirements for purchasers.

3 “(3)(A) Each purchaser of a covered mortgage shall  
4 offer the borrower on the covered mortgage—

5 “(i) appropriate loss mitigation options, includ-  
6 ing affordable and sustainable loan modifications;  
7 and

8 “(ii) the opportunity for a short sale or a deed  
9 in lieu of foreclosure.

10 “(B) The specific formula, calculations, waterfall  
11 steps, and other terms for appropriate loss mitigation op-  
12 tions described in subparagraph (A) shall be published by  
13 the Corporation, made available to the public, and in-  
14 cluded in a written notice given to borrowers before any  
15 acceleration or foreclosure is initiated after a loan sale.

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

19 “(A) the transferee shall certify in writing to  
20 the Corporation that the transferee will comply with  
21 the provisions of this subsection in the marketing  
22 and transfer of any property received in the disposi-  
23 tion of any transferred loan;

24 “(B) the transferee shall provide to the Cor-  
25 poration records documenting that the transfers of

1 those properties are in compliance with this sub-  
2 section; and

3 “(C) the failure of the Corporation or the trans-  
4 feree to comply with the requirements under this  
5 subsection for a loan in default shall be a defense to  
6 foreclosure, and a transferee may not execute a fore-  
7 closure judgment or order of sale, or conduct a fore-  
8 closure sale, until the transferee has complied with  
9 all requirements under this subsection.

10 “(5) With respect to covered mortgages that are sold  
11 by the Corporation under this section and foreclosed upon  
12 by the buyer, not less than 90 percent of the properties  
13 that are the subject of the covered mortgages in an auc-  
14 tion shall be—

15 “(A) sold to owner-occupants;

16 “(B) operated or transferred to an entity that  
17 will operate the property as affordable rental hous-  
18 ing for households below 80 percent of the area me-  
19 dian income for a period of not less than 15 years;  
20 or

21 “(C) transferred or donated to a nonprofit  
22 agency that is certified by the Corporation and will  
23 redevelop the property for owner occupancy or af-  
24 fordable rental housing.

1           “(6) The Corporation shall implement policies, proce-  
2 dures, and controls to—

3                   “(A) identify and recruit community partners;

4                   “(B) engage in consultations with community  
5 partners before the sale of a pool of covered mort-  
6 gages under this section to determine whether that  
7 sale can be designed to meet the specific needs of  
8 the communities served by the community partners;  
9 and

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

12                           “(i) designing pools of covered mortgages  
13 for direct sale to a community partner, the  
14 price of which shall be set by the Corporation  
15 based on a pricing model that considers—

16                                   “(I) the current fair market value of  
17 the properties; and

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

21                                   “(ii) in the case of an auction, if the win-  
22 ning bid is not from a community partner, per-  
23 mitting any community partner that bid during  
24 that same auction to have a final opportunity to  
25 enter a higher bid on the pool.”.

1 **TITLE II—TAKING THE FIRST**  
2 **STEPS TO REVERSE THE LEG-**  
3 **ACY OF HOUSING DISCRIMI-**  
4 **NATION AND GOVERNMENT**  
5 **NEGLIGENCE**

6 **SEC. 201. DOWN PAYMENT ASSISTANCE PROGRAM FOR**  
7 **COMMUNITIES FORMERLY SEGREGATED BY**  
8 **LAW.**

9 (a) FINDINGS.—Congress finds the following:

10 (1) For generations, buying a home has been  
11 the primary way working families build wealth.

12 (2) A home is not only a place to live, but also  
13 an asset that may appreciate, help fund a new busi-  
14 ness, finance an education, or cover retirement ex-  
15 penses. A home provides stability and financial pre-  
16 dictability, which are important foundations for  
17 prosperity and access to opportunity for a family.

18 (3) For decades, the Federal Government sub-  
19 sidized homeownership—for White families. Until  
20 the 1960s, the Federal Government systematically  
21 denied African Americans and other marginalized  
22 groups the ability to obtain mortgage credit, buy  
23 homes, and build wealth for their families while sub-  
24 sidizing the American dream for White families.

1           (4) The Federal Government, through the  
2 Home Owners' Loan Corporation and the Federal  
3 Housing Administration, standardized and institu-  
4 tionalized discriminatory policies on the basis of  
5 race, national origin, and religion that reflected  
6 practices in the private sector and became a model  
7 for their widespread adoption across the housing in-  
8 dustry.

9           (5) Racist restrictive covenants and zoning ordi-  
10 nances also robbed families of color of the oppor-  
11 tunity to live and build opportunity for their families  
12 in the community of their choice.

13           (6) In the years before the 2008 financial crisis,  
14 lenders targeted borrowers of color with abusive  
15 loans while government regulators sat on their  
16 hands, further extracting wealth from these same  
17 communities.

18           (7) The legacy of housing discrimination and  
19 regulatory negligence is a contributor to a large and  
20 growing gap in wealth and outcomes between Black  
21 and White families. The typical White family has 8  
22 times the wealth of the typical Black family. The  
23 gap between the White homeownership rate and the  
24 Black homeownership rate is bigger today than it  
25 was when housing discrimination was legal. Nearly

1       75 percent of formerly redlined communities are low-  
2       or moderate-income and 64 percent are still commu-  
3       nities of color.

4           (8) The purpose of this section is for the Fed-  
5       eral Government to take the first step toward ad-  
6       dressing the racial wealth gap that it contributed to  
7       creating by helping individuals or descendants of in-  
8       dividuals who were harmed by housing discrimina-  
9       tion or negligence by the Federal Government.

10       (b) DEFINITIONS.—In this section:

11           (1) ELIGIBLE RESIDENT.—The term “eligible  
12       resident” means a resident of a geographic area, as  
13       defined by the Secretary by regulation under sub-  
14       section (h), who—

15           (A) is a first-time homebuyer;

16           (B) has an income that is less than 120  
17       percent of the area median income; and

18           (C)(i) resided in that geographic area  
19       throughout the 4-year period ending on the  
20       date of enactment of this Act;

21           (ii) resided in that geographic area for a  
22       period of not less than 4 years before moving  
23       out of the geographic area subsequent to a fore-  
24       closure, short sale, or deed in lieu of foreclosure  
25       on a home that—

1 (I) was the primary residence of the  
2 resident; and

3 (II) was purchased or refinanced dur-  
4 ing the period beginning on January 1,  
5 2001, and ending on December 31, 2008;  
6 or

7 (iii) resided in that geographic area for a  
8 period of not less than 4 years before moving  
9 out of the geographic area due to a major dis-  
10 aster declared by the President or a State, ter-  
11 ritorial, or Tribal government.

12 (2) **FIRST-TIME HOMEBUYER.**—The term “first-  
13 time homebuyer” means an individual (and if mar-  
14 ried, the spouse of the individual) who—

15 (A) intends to purchase a property for use  
16 as a principal residence; and

17 (B) during the 3-year period ending on the  
18 date of purchase of the property described in  
19 subparagraph (B)—

20 (i) has had no ownership in a prin-  
21 cipal residence; or

22 (ii) surrendered an ownership interest  
23 in a principal residence as part of a divorce  
24 proceeding.

1           (3) LOW-INCOME COMMUNITY.—The term “low-  
2           income community” has the meaning given the term  
3           in section 45D of the Internal Revenue Code of  
4           1986.

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

7           (c) ESTABLISHMENT.—There is established in the  
8           Treasury of the United States a fund that—

9           (1) shall be administered by the Secretary, act-  
10          ing through the Office of Housing of the Depart-  
11          ment of Housing and Urban Development; and

12          (2) shall be used—

13               (A) to provide grants to eligible residents  
14               to purchase homes;

15               (B) for outreach to financial institutions in  
16               targeted areas and eligible residents, including  
17               for the administration of that outreach;

18               (C) for counseling or financial education  
19               administered by counseling agencies approved  
20               by the Secretary in order to ensure sustainable  
21               homeownership;

22               (D) to create and maintain the database  
23               described in subsection (h)(3); and

24               (E) to maintain any records required to  
25               implement this section.



1 (d) GRANT AMOUNT.—An eligible resident may re-  
2 ceive a grant under subsection (c) in an amount equal to—

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

5 (2) if the appraised value of the property to be  
6 purchased exceeds the principal obligation amount  
7 limitation for mortgages insured under title II of the  
8 National Housing Act (12 U.S.C. 1707 et seq.), 3.5  
9 percent of the maximum principal obligation limita-  
10 tion for the property to be purchased.

11 (e) RELATION TO FHA LOAN.—An eligible resident  
12 shall not be required to obtain a mortgage that is insured  
13 under title II of the National Housing Act (12 U.S.C.  
14 1707 et seq.) as a condition of receiving a grant under  
15 subsection (c).

16 (f) GEOGRAPHIC AREA.—An eligible resident shall  
17 not be required to purchase a home within the geographic  
18 area described in subsection (b)(1)(C) as a condition of  
19 receiving a grant under subsection (c).

20 (g) LAYERING OF ASSISTANCE.—Receipt by an eligi-  
21 ble recipient of assistance for a down payment from a  
22 source other than the fund established under subsection  
23 (c), including assistance from the Federal Government, a  
24 State or local government, or any other public, private,

1 or nonprofit source, shall not affect the eligibility of the  
2 eligible recipient for assistance under subsection (c).

3 (h) REGULATIONS AND DATABASE.—Not later than  
4 1 year after the date of enactment of this Act, the Sec-  
5 retary shall—

6 (1) in consultation with interested parties, in-  
7 cluding housing counseling agencies approved by the  
8 Secretary and individuals or groups with expertise in  
9 fair housing, promulgate regulations relating to the  
10 use of the fund established under subsection (c), in-  
11 cluding defining the geographic areas in which resi-  
12 dents are eligible to receive grants under subsection  
13 (c), which shall include—

14 (A) census tracts graded as “hazardous”  
15 or “definitely declining” in maps drawn by the  
16 Home Owners’ Loan Corporation that are, as of  
17 the date of enactment of this Act, low-income  
18 communities;

19 (B) census tracts that were designated for  
20 non-White citizens in jurisdictions that histori-  
21 cally had racially segregated zoning codes and  
22 are, as of the date of enactment of this Act,  
23 low-income communities; and

1 (C) census tracts that are racially or eth-  
2 nically concentrated areas of poverty, which  
3 shall mean a census tract—

4 (i) with a non-White population of not  
5 less than 50 percent; and

6 (ii) in which—

7 (I) not less than 40 percent of  
8 families living in the census tract have  
9 incomes that are at or below the pov-  
10 erty line; or

11 (II) the average tract poverty  
12 rate is 3 or more times the average  
13 tract poverty tract for the metropoli-  
14 tan or micropolitan area;

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

22 (A) provides an eligible resident with funds  
23 for the closing; or

24 (B) allows an eligible resident to be  
25 preapproved to receive assistance under this

1 section when arranging financing for the home  
2 of the eligible resident;

3 (3) create a publicly accessible database that al-  
4 lows individuals, real estate professionals, and lend-  
5 ers to determine whether a borrower is eligible for  
6 assistance under this section; and

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

9 (i) APPROPRIATION.—Out of funds in the Treasury  
10 not otherwise appropriated, there is appropriated to the  
11 fund established under subsection (c) such sums as may  
12 be necessary for each of fiscal years 2022 through 2031  
13 to carry out the activities under subsection (c)(2).

14 (j) 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 2021.”.

23 (k) 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 2021,” after “mortgage products”.

4 **SEC. 202. FORMULA GRANT PROGRAM FOR COMMUNITIES**  
5 **WITH AN APPRAISAL GAP.**

6 (a) DEFINITIONS.—In this section—

7 (1) the term “neighborhood with an appraisal  
8 gap” means a census tract in which the median sales  
9 price of a dwelling unit is lower than the median  
10 cost to acquire and rehabilitate, or build, a new  
11 dwelling unit;

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

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

17 (b) ESTABLISHMENT.—The Secretary shall establish  
18 a formula grant program to provide funding to States to  
19 support neighborhoods with an appraisal gap, including  
20 borrowers with negative equity in their primary residence  
21 in those neighborhoods, through—

22 (1) measures that provide funds to borrowers  
23 to—

24 (A) pay down arrears on an otherwise af-  
25 fordable loan;

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

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

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

7 (E) pay delinquent taxes and tax liens;

8 (F) pay off delinquent water or sewer bills  
9 and liens; and

10 (G) pay for home repairs or maintenance  
11 or for modifications to bring the home into  
12 compliance with any applicable codes; and

13 (2) programs to purchase or rehabilitate vacant  
14 or distressed properties to enhance neighborhood  
15 property values.

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

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

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

22 (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
23 authorized to be appropriated to carry out this section  
24 \$2,000,000,000 for fiscal year 2022.

1 **SEC. 203. STRENGTHENING THE COMMUNITY REINVEST-**  
2 **MENT ACT OF 1977.**

3 (a) **SHORT TITLE.**—This section may be cited as the  
4 “Community Reinvestment Reform Act of 2021”.

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

8 (1) by striking sections 802 and 803 (12 U.S.C.  
9 2901, 2902) and inserting the following:

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

11 “(a) **FINDINGS.**—Congress finds that—

12 “(1) regulated financial institutions are re-  
13 quired by law to demonstrate that they serve the  
14 convenience and needs of the communities in which  
15 they are chartered or do business, in particular low-  
16 and moderate-income communities;

17 “(2) the convenience and needs of communities  
18 include the need for credit services, deposit services,  
19 transaction services, other financial services, and  
20 community development loans and investments; and

21 “(3) regulated financial institutions have a con-  
22 tinuing and affirmative obligation to meet the credit  
23 or other financial needs of the local communities in  
24 which they are chartered or do business.

25 “(b) **PURPOSE.**—It is the purpose of this title to re-  
26 quire each appropriate Federal financial supervisory agen-

1 cy to use its authority when examining regulated financial  
2 institutions to ensure that those institutions meet the  
3 credit and other financial needs of the local communities  
4 in which they are chartered or do business consistent with  
5 the safe and sound operation of those institutions.

6 **“SEC. 803. DEFINITIONS.**

7 “In this title:

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

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

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

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

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

23 “(D) the relocation of the home office or a  
24 branch office of a regulated financial institu-  
25 tion;



1           “(E) the merger or consolidation with, the  
2           acquisition of the assets of, or the assumption  
3           of the liabilities of a regulated financial institu-  
4           tion requiring approval under section 18(c) of  
5           the Federal Deposit Insurance Act (12 U.S.C.  
6           1828(c)); or

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

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

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

18               “(A) the appropriate Federal banking  
19               agency with respect to depository institutions  
20               and depository institution holding companies;  
21               and

22               “(B) the Bureau of Consumer Financial  
23               Protection with respect to any covered person  
24               supervised by the Bureau pursuant to section  
25               1024 of the Dodd-Frank Wall Street Reform

1           and Consumer Protection Act (12 U.S.C.  
2           5514).

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

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

10                   “(B) is represented by an agent;

11                   “(C) issues a significant number of loans  
12                   or other products relative to the total number  
13                   of loans or other products made by the institu-  
14                   tion;

15                   “(D) has issued not less than 75 percent  
16                   of the loans of the institution;

17                   “(E) has conducted not less than 75 per-  
18                   cent of the business of the institution; or

19                   “(F) has received not less than 75 percent  
20                   of the deposits of the institution.

21           “(5) COMMUNITY BENEFITS PLAN.—The term  
22           ‘community benefits plan’ means a plan that pro-  
23           vides measurable goals for future amounts of safe  
24           and sound loans, investments, services, and other fi-  
25           nancial products for low- and moderate-income com-

1 communities and other distressed or underserved com-  
2 munities.

3 “(6) COMMUNITY DEVELOPMENT.—The term  
4 ‘community development’ includes—

5 “(A) affordable housing for low- or mod-  
6 erate-income individuals and avoidance of pat-  
7 terns of lending resulting in the loss of afford-  
8 able housing units;

9 “(B) community development services, in-  
10 cluding counseling and successful mortgage or  
11 loan modifications of delinquent loans;

12 “(C) activities that promote integration;

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

22 “(E) activities that revitalize or stabilize—

23 “(i) low- or moderate-income geog-  
24 raphies;

25 “(ii) designated disaster areas;

1                   “(iii) distressed or underserved non-  
2 metropolitan middle-income geographies  
3 designated by the Federal Financial Insti-  
4 tutions Examination Council, based on—

5                   “(I) rates of poverty, unemploy-  
6 ment, and population loss; or

7                   “(II) population size, density,  
8 and dispersion, if those activities help  
9 to meet essential community needs,  
10 including the needs of low- and mod-  
11 erate-income individuals; or

12                   “(iv) other distressed or underserved  
13 communities;

14                   “(F) activities that promote physical, envi-  
15 ronmental, and sensory accessibility in housing  
16 stock that is integrated into the community;  
17 and

18                   “(G) other activities that promote the ob-  
19 jectives of this title, as determined by the ap-  
20 propriate Federal financial supervisory agen-  
21 cies.

22                   “(7) DEPOSITORY INSTITUTION; DEPOSITORY  
23 INSTITUTION HOLDING COMPANY.—The terms ‘de-  
24 pository institution’ and ‘depository institution hold-  
25 ing company’ have the meanings given those terms

1 in section 3 of the Federal Deposit Insurance Act  
2 (12 U.S.C. 1813).

3 “(8) ENTIRE COMMUNITY.—The term ‘entire  
4 community’ means all of the assessment areas of a  
5 regulated financial institution.

6 “(9) ENUMERATED CONSUMER LAWS.—The  
7 term ‘enumerated consumer laws’ has the meaning  
8 given the term in section 1002 of the Consumer Fi-  
9 nancial Protection Act of 2010 (12 U.S.C. 5481).

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

13 “(11) INSURED DEPOSITORY INSTITUTION.—  
14 The term ‘insured depository institution’ has the  
15 meaning given the term in section 3 of the Federal  
16 Deposit Insurance Act (12 U.S.C. 1813).

17 “(12) OTHER DISTRESSED OR UNDERSERVED  
18 COMMUNITY.—The term ‘other distressed or under-  
19 served community’ means an area or census tract  
20 that, according to a periodic review and data anal-  
21 ysis by the appropriate Federal financial supervisory  
22 agencies on an interagency basis through the Fed-  
23 eral Financial Institutions Examination Council, is  
24 experiencing economic hardship or is underserved by  
25 financial institutions.

1           “(13) REGULATED FINANCIAL INSTITUTION.—

2           The term ‘regulated financial institution’ means—

3                   “(A) an insured depository institution;

4                   “(B) a depository institution holding com-  
5           pany; and

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

7           “(14) U.S. NONBANK MORTGAGE ORIGI-  
8           NATOR.—The term ‘U.S. nonbank mortgage origi-  
9           nator’ means a covered person subject to section  
10          1024 of the Dodd-Frank Wall Street Reform and  
11          Consumer Protection Act (12 U.S.C. 5514) that of-  
12          fers or provides—

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

16                   “(B) loan modification or foreclosure relief  
17           services in connection with a loan described in  
18           subparagraph (A).”;

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

20                   (A) by redesignating subsections (e) and  
21           (d) as subsections (f) and (g), respectively;

22                   (B) by striking subsections (a) and (b) and  
23           inserting the following:

24          “(a) DEPOSITORY INSTITUTIONS AND BANK HOLD-  
25          ING COMPANIES.—In connection with its examination of

1 a regulated financial institution other than a U.S.  
2 nonbank mortgage originator, the appropriate Federal fi-  
3 nancial supervisory agency shall perform the following:

4           “(1) Assess the record of the institution in  
5 meeting the credit and other financial needs of its  
6 entire community, in particular low- and moderate-  
7 income people and communities, and other distressed  
8 or underserved communities, consistent with the safe  
9 and sound operation of the institution.

10           “(2) Assess the effectiveness of the following  
11 activities in meeting the credit and other financial  
12 needs of the assessment areas of the institution, con-  
13 sistent with the safe and sound operation of the in-  
14 stitution:

15           “(A) Retail lending, including home, small  
16 business, consumer, and other lending and fi-  
17 nancial products, that responds to credit needs  
18 or other financial needs.

19           “(B) Community development lending and  
20 investments, which may include a consideration  
21 of—

22           “(i) the origination of loans and other  
23 efforts by the institution to assist existing  
24 low- and moderate-income residents to re-

1 main in affordable housing in their com-  
2 munity; and

3 “(ii) the origination of loans by the  
4 institution that result in the construction,  
5 rehabilitation, or preservation of affordable  
6 housing units.

7 “(C) Retail financial services and commu-  
8 nity development services.

9 “(3) With respect to its evaluation of an appli-  
10 cation for a deposit facility by the institution—

11 “(A) consider the record described in para-  
12 graph (1), the overall rating of the institution  
13 under this section, and any improvement plans  
14 submitted pursuant to this section;

15 “(B) provide an opportunity for public  
16 comment for a period of not less than 60 days;

17 “(C) consider changes in the community  
18 reinvestment performance of the institution  
19 since the most recent rating under this section  
20 by the appropriate Federal financial supervisory  
21 agency; and

22 “(D) require—

23 “(i) a demonstration of public benefit,  
24 including a community benefits plan with  
25 measurable goals regarding increasing re-



1                   sponsible lending and other financial prod-  
2                   ucts that is commensurate with the ability  
3                   of the institution to accomplish those  
4                   goals;

5                   “(ii) that the institution consult with  
6                   community-based organizations and other  
7                   community stakeholders in developing the  
8                   community benefits plan; and

9                   “(iii) a public hearing for any institu-  
10                  tion that has a received a ‘need-to-improve’  
11                  or ‘low satisfactory’ grade in any individual  
12                  assessment area during the most recent ex-  
13                  amination.

14               “(b) U.S. NONBANK MORTGAGE ORIGINATOR.—In  
15               connection with its examination of a U.S. nonbank mort-  
16               gage originator, the appropriate Federal financial super-  
17               visory agency shall perform the following:

18               “(1) Assess the record of the U.S. nonbank  
19               mortgage originator in meeting the credit or other  
20               financial needs of its entire community, in particular  
21               low-income and moderate-income people and commu-  
22               nities and other distressed or underserved commu-  
23               nities, consistent with the safe and sound operation  
24               of the U.S. nonbank mortgage originator.



1 Act of 1981 (42 U.S.C. 9802)), and other  
2 nonprofit organizations serving the housing  
3 and development needs of the community.

4 “(3) With respect to its evaluation of an appli-  
5 cation for a deposit facility by the U.S. nonbank  
6 mortgage originator—

7 “(A) consider the record described in para-  
8 graph (1), the overall rating of the U.S.  
9 nonbank mortgage originator under this sec-  
10 tion, and any improvement plans submitted  
11 pursuant to this section;

12 “(B) provide an opportunity for public  
13 comment for a period of not less than 60 days;

14 “(C) consider changes in the community  
15 reinvestment performance of the U.S. nonbank  
16 mortgage originator since the most recent rat-  
17 ing under this section by the appropriate Fed-  
18 eral financial supervisory agency; and

19 “(D) require—

20 “(i) a demonstration that granting the  
21 application for a deposit facility is in the  
22 public interest, which shall include a sub-  
23 mission of a community benefits plan,  
24 which shall be commensurate with the abil-  
25 ity of the institution to accomplish the

1 plan, by the U.S. nonbank mortgage origi-  
2 nator to the appropriate Federal financial  
3 supervisory agency;

4 “(ii) that the U.S. nonbank mortgage  
5 originator consult with community-based  
6 organizations and other community stake-  
7 holders in developing the community bene-  
8 fits plan; and

9 “(iii) a public hearing for any U.S.  
10 nonbank mortgage originator that has a  
11 received a ‘need-to-improve’ or ‘low satis-  
12 factory’ grade in any individual assessment  
13 area during the most recent examination.

14 “(c) REQUIREMENTS.—

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

19 “(A) consider public comments received by  
20 the appropriate Federal financial supervisory  
21 agency regarding the record of the institution in  
22 meeting the credit or other financial needs of  
23 its entire community, including low- and mod-  
24 erate-income communities; and

25 “(B) require—

1                   “(i) an improvement plan for an insti-  
2                   tution that receives a rating of ‘low satis-  
3                   factory’ or lower on the written evaluation  
4                   of the institution, or such a rating in any  
5                   individual assessment area; and

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

13                  “(2) IMPROVEMENT PLAN.—

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

22                  “(B) PUBLIC COMMENT.—Upon receipt of  
23                  an improvement plan of a regulated financial  
24                  institution required under paragraph (1)(B),

1 the appropriate Federal financial supervisory  
2 agency shall—

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

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

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

21 “(A) be evaluated under subsection (a) or  
22 (b), as applicable—

23 “(i) by considering the effectiveness of  
24 the institution in serving customers or bor-  
25 rowers, with a special emphasis on low-

1 and moderate-income individuals across the  
2 country regardless of where the individuals  
3 reside; and

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

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

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

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

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

- 1 (i) by striking paragraph (2);
- 2 (ii) by redesignating paragraph (3) as
- 3 paragraph (2); and
- 4 (iii) in paragraph (2), as so redesign-
- 5 nated, by striking subparagraph (C); and
- 6 (D) in subsection (g), as so redesignated,
- 7 by striking “subsection (a)” and inserting “sub-
- 8 sections (a) and (b)”;
- 9 (3) in section 807 (12 U.S.C. 2906)—
- 10 (A) in subsection (a)—
- 11 (i) by striking “an insured depository
- 12 institution” and inserting “a regulated fi-
- 13 nancial institution”; and
- 14 (ii) by inserting “or financial” after
- 15 “credit”;
- 16 (B) in subsection (b)—
- 17 (i) in paragraph (1)—
- 18 (I) in subparagraph (A)—
- 19 (aa) in clause (ii), by strik-
- 20 ing “and” at the end;
- 21 (bb) by redesignating clause
- 22 (iii) as clause (iv); and
- 23 (cc) by inserting after clause
- 24 (ii) the following:





1 (ii) in paragraph (2)—

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

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

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

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

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

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

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

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

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

23 “(B) develop an accompanying point sys-  
24 tem that includes ranges for each rating cat-  
25 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 shall  
8 post a public notice of the appeal on the part of the  
9 website of the appropriate Federal financial supervisory  
10 agency that contains information on this title.”;

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

12 (A) by striking “Regulations” and insert-  
13 ing the following:

14 “(a) IN GENERAL.—Regulations”;

15 (B) in subsection (a), as so designated, by  
16 striking “companies,” and inserting “compa-  
17 nies,”; and

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

19 “(b) PERIODIC REVIEW.—Not later than 5 years  
20 after the date of enactment of this subsection and every  
21 5 years thereafter, the appropriate Federal financial su-  
22 pervisory agencies shall—

23 “(1) review the regulations promulgated to  
24 carry out this title; and

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

4                   “(A) data collection under this title;

5                   “(B) the rigor of evaluations under this  
6           title;

7                   “(C) the assessment area coverage of loans  
8           and deposits; and

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

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

13   **“SEC. 810. DATA COLLECTION AND REPORTING REQUIRE-**  
14                   **MENTS.**

15          “(a) DATA COLLECTION.—

16                   “(1) CONSUMER LOANS.—

17                           “(A) IN GENERAL.—Each regulated finan-  
18                           cial institution shall collect and maintain in ma-  
19                           chine readable form, as prescribed by the ap-  
20                           propriate Federal financial supervisory agency,  
21                           data for consumer loans originated or pur-  
22                           chased by the regulated financial institution, in-  
23                           cluding motor vehicle loans, credit cards, lines  
24                           of credit, and other secured or unsecured loans.  
25                           The regulated financial institution shall main-

1           tain data separately for each category of con-  
2           sumer loan, including the following for each  
3           loan:

4                   “(i) A unique number or alpha-nu-  
5                   meric symbol that can be used to identify  
6                   the relevant loan.

7                   “(ii) The loan amount at origination  
8                   or purchase.

9                   “(iii) The loan location.

10                   “(iv) The gross annual income of the  
11                   borrower that the regulated financial insti-  
12                   tution considered in making its credit deci-  
13                   sion.

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

20                   “(2) COMMUNITY DEVELOPMENT LOANS AND  
21                   INVESTMENTS.—

22                   “(A) COLLECTION AND MAINTENANCE OF  
23                   DATA.—Each regulated financial institution  
24                   shall collect and maintain in machine readable  
25                   form, as prescribed by the appropriate Federal

1 financial supervisory agency, data on the cat-  
2 egories of community development lending and  
3 investments, including data regarding financing  
4 affordable housing, small business development,  
5 and economic development.

6 “(B) PUBLIC DISSEMINATION.—Each reg-  
7 ulated financial institution shall—

8 “(i) publicly disseminate the data de-  
9 scribed in subparagraph (A) on a county  
10 level and for categories of census tracts in-  
11 cluding low- and moderate-income census  
12 tracts or other distressed and underserved  
13 census tracts; and

14 “(ii) consider disseminating the data  
15 described in subparagraph (A) by indi-  
16 vidual census tracts in addition to the cat-  
17 egories described in clause (i).

18 “(3) ASSESSMENT AREA DATA.—

19 “(A) IN GENERAL.—Each regulated finan-  
20 cial institution shall collect and report to the  
21 appropriate Federal financial supervisory agen-  
22 cy by March 1 of each year a list for each as-  
23 sessment area showing the geographies within  
24 the area.

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

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

11           “(A) collect data from regulated financial  
12          institutions that reflects—

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

20                   “(ii) the number of small businesses  
21                   that are located in the census tract cat-  
22                   egories described in clause (i); and

23           “(B) consider the dissemination of the de-  
24          posit data collected under subparagraph (A) by

1 individual census tracts in addition to the cat-  
2 gories described in that subparagraph.

3 “(b) AGGREGATE DISCLOSURE STATEMENTS.—

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

17 “(2) DEPOSITS AND COMMUNITY DEVELOP-  
18 MENT LOANS AND INVESTMENTS.—An appropriate  
19 Federal financial supervisory agency shall include  
20 data on deposits and community development loans  
21 and investments in the disclosure statements pre-  
22 pared under paragraph (1).

23 “(3) ADJUSTED FORM.—An appropriate Fed-  
24 eral financial supervisory agency may adjust the  
25 form of the disclosure statement prepared under



1 paragraph (1) if necessary, because of special cir-  
2 cumstances, to protect the privacy of a borrower or  
3 the competitive position of a regulated financial in-  
4 stitution.

5 “(c) CENTRAL DATA DEPOSITORIES.—The Federal  
6 Financial Institutions Examination Council, in consulta-  
7 tion with the appropriate Federal financial supervisory  
8 agencies, shall implement a system—

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

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

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

20 (e) AMENDMENT TO THE BANK HOLDING COMPANY  
21 ACT OF 1956.—Section 4(k)(6) of the Bank Holding  
22 Company Act of 1956 (12 U.S.C. 1843(k)(6)) is amended  
23 to read as follows:

24 “(6) NOTICE AND OPPORTUNITY FOR COMMENT  
25 REQUIRED.—

1           “(A) IN GENERAL.—No financial holding  
2 company shall directly or indirectly acquire, and  
3 no company that becomes a financial holding  
4 company shall directly or indirectly acquire con-  
5 trol of, any company in the United States, in-  
6 cluding through merger, consolidation, or other  
7 type of business combination, that is engaged in  
8 activities permitted under this subsection or  
9 subsection (n) or (o), unless—

10                   “(i) the holding company has provided  
11 notice to the Board, not later than 60 days  
12 prior to the proposed acquisition or prior  
13 to becoming a financial holding company,  
14 and during that time period, or such  
15 longer time period not exceeding an addi-  
16 tional 60 days, as established by the  
17 Board;

18                   “(ii) the Board has provided public  
19 notice and opportunity for comment for  
20 not less than 60 days; and

21                   “(iii) the Board has not issued a no-  
22 tice disapproving the proposed acquisition  
23 or retention.

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

4           “(i) consider the overall rating of the  
5 financial holding company under the Com-  
6 munity Reinvestment Act of 1977 (12  
7 U.S.C. 2901 et seq.) and any improvement  
8 plans submitted pursuant to that Act;

9           “(ii) provide opportunity for public  
10 comment for a period of not less than 60  
11 days;

12           “(iii) consider changes in the commu-  
13 nity reinvestment performance of the fi-  
14 nancial holding company since the last rat-  
15 ing under the Community Reinvestment  
16 Act of 1977 (12 U.S.C. 2901 et seq.) by  
17 the appropriate Federal financial super-  
18 visory agency; and

19           “(iv) require—

20           “(I) a demonstration that grant-  
21 ing the application for a deposit facil-  
22 ity is in the public interest, which  
23 shall include submission to the appro-  
24 priate Federal financial supervisory  
25 agency of a community benefits plan

1 commensurate with the ability of the  
2 institution to carry out that plan;

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

8 “(III) a public hearing for any  
9 bank that has received a ‘need-to-im-  
10 prove’ or ‘low satisfactory’ grade in  
11 any assessment area during the last  
12 examination under the Community  
13 Reinvestment Act of 1977 (12 U.S.C.  
14 2901 et seq.).”.

15 (d) TECHNICAL AND CONFORMING AMENDMENT.—  
16 Section 10(c)(2)(H)(i) of the Home Owners’ Loan Act (12  
17 U.S.C. 1467a(c)(2)(H)(i)) is amended by striking “section  
18 804(e) of the Community Reinvestment Act of 1977 (12  
19 U.S.C. 2903(c))” and inserting “section 804(f) of the  
20 Community Reinvestment Act of 1977 (12 U.S.C.  
21 2903(f))”.

22 **SEC. 204. AMENDMENTS RELATING TO CREDIT UNION**  
23 **SERVICE TO UNDERSERVED AREAS.**

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

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

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

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

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

7 “(10) the term ‘underserved area’—

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

10 “(i) is an investment area, as defined  
11 in section 103 of the Community Develop-  
12 ment Banking and Financial Institutions  
13 Act of 1994 (12 U.S.C. 4702), that meets  
14 such additional requirements that the  
15 Board may impose; and

16 “(ii) is underserved, based on data of  
17 the Board and the Federal banking agen-  
18 cies (as defined in section 3 of the Federal  
19 Deposit Insurance Act (12 U.S.C. 1813)),  
20 by other depository institutions (as defined  
21 in section 19(b)(1)(A) of the Federal Re-  
22 serve Act (12 U.S.C. 461(b)(1)(A)); and

23 “(B) notwithstanding subparagraph (A),  
24 includes, with respect to any Federal credit

1 union, any geographic area within which the  
2 credit union—

3 “(i) has received approval to provide  
4 service before the date of enactment of this  
5 paragraph from the Administration; and

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

8 (2) in section 106 (12 U.S.C. 1756), by adding  
9 at the end the following: “The Board shall monitor  
10 adherence by a Federal credit union to a significant  
11 unmet needs plan submitted under section 109(h) by  
12 that Federal credit union that describes how the  
13 Federal credit union will serve the deposit and other  
14 financial needs of the community.”; and

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

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

18 “(2) EXCEPTION FOR UNDERSERVED AREAS.—

19 “(A) IN GENERAL.—Notwithstanding sub-  
20 section (b), the Board may approve an applica-  
21 tion by a Federal credit union to allow the  
22 membership of the credit union to include any  
23 person or organization whose principal resi-  
24 dence or place of business is located within a

1 local community, neighborhood, or rural district  
2 if—

3 “(i) the Board determines—

4 “(I) at any time after August 7,  
5 1998, that the local community,  
6 neighborhood, or rural district taken  
7 into account for purposes of this para-  
8 graph is an underserved area; and

9 “(II) at the time of the approval,  
10 that the credit union is well capital-  
11 ized or adequately capitalized (as de-  
12 fined in section 216(c)(1)); and

13 “(ii) before the end of the 24-month  
14 period beginning on the date of the ap-  
15 proval, the credit union has established  
16 and maintains an ongoing method to pro-  
17 vide services in the local community, neigh-  
18 borhood, or rural district.

19 “(B) TERMINATION OF APPROVAL.—

20 “(i) IN GENERAL.—Any failure of a  
21 Federal credit union to meet the require-  
22 ment of clause (ii) of subparagraph (A) by  
23 the end of the 24-month period referred to  
24 in that clause shall constitute a termi-  
25 nation, as a matter of law, of any approval

1 of an application under this paragraph by  
2 the Board with respect to the membership  
3 of the credit union.

4 “(ii) SIGNIFICANT UNMET NEEDS  
5 PLAN.—The Board may terminate the  
6 membership of a Federal credit union upon  
7 a finding that the credit union is not meet-  
8 ing the terms of the significant unmet  
9 needs plan of the credit union submitted  
10 under subsection (h)(1).

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

17 “(i) the number of members of the  
18 credit union who are members by reason of  
19 the application;

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



1 “(iii) evidence, as specified by the  
2 Board by regulation, demonstrating com-  
3 pliance by the credit union with the signifi-  
4 cant unmet needs plan submitted by the  
5 credit union under subsection (h)(1), as  
6 specified by the Administration.

7 “(D) PUBLICATION BY ADMINISTRA-  
8 TION.—The Administration shall publish an an-  
9 nual report containing—

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

13 “(ii) the number and locations of the  
14 underserved areas taken into account in  
15 approving those applications;

16 “(iii) the total number of members of  
17 credit unions who are members by reason  
18 of the approval of those applications; and

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

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

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

2 “(h) ADDITIONAL REQUIREMENTS FOR COMMUNITY  
3 CREDIT UNIONS.—

4 “(1) IN GENERAL.—A Federal credit union de-  
5 siring membership as a credit union described in  
6 subsection (b)(3) shall submit to the Board a busi-  
7 ness plan, which shall include, among other issues,  
8 a marketing plan that identifies—

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

11 “(B) how the credit union will market to  
12 each group, particularly underserved groups, to  
13 address those needs.

14 “(2) PUBLIC COMMENT AND HEARING.—With  
15 respect to a Federal credit union desiring member-  
16 ship as a credit union described in subsection (b)(3)  
17 for an area with multiple political jurisdictions with  
18 a population of not less than 2,500,000, the Admin-  
19 istration shall—

20 “(A) publish a notice in the Federal Reg-  
21 ister seeking comment from interested parties  
22 about the proposed community; and

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

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

5 **SEC. 205. ELIGIBILITY OF CERTAIN DIRECT DESCENDANTS**  
6 **OF CERTAIN VETERANS FOR HOUSING LOANS**  
7 **GUARANTEED BY THE SECRETARY OF VET-**  
8 **ERANS AFFAIRS.**

9 (a) EXPANSION OF DEFINITION OF VETERAN FOR  
10 PURPOSES OF HOUSING LOAN BENEFITS.—Section  
11 3701(b) of title 38, United States Code, is amended by  
12 adding at the end the following new paragraph:

13 “(8)(A) The term ‘veteran’ also includes, for  
14 purposes of home loans, any direct descendant of a  
15 veteran described in subparagraph (B) if the de-  
16 scendant is living on the date of the enactment of  
17 the American Housing and Economic Mobility Act of  
18 2021.

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

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

24 “(ii) is deceased; and

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

3                   “(C) In this paragraph, the term ‘direct de-  
4                   scendant’ includes a legally adopted descendant.”.

5                   (b)     EXPANSION     OF     ELIGIBILITY.—Section  
6     3702(a)(2) of such title is amended by adding at the end  
7     the following new subparagraph:

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

10                  (c)     EFFECTIVE DATE.—The amendments made by  
11     this section shall take effect on the date that is one year  
12     after the date of the enactment of this Act.

13                  (d)     REGULATIONS.—Not later than 180 days after  
14     the date of the enactment of this Act, the Secretary of  
15     Veterans Affairs shall prescribe regulations to carry out  
16     the amendments made by this 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 “(21) 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-

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

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

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

21 “(iii) include in the administrative  
22 plan required under section 982.54 of title  
23 24, Code of Federal Regulations, or any  
24 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:

<b>If the amount with respect to which the tentative tax to be computed is:</b>	<b>The tentative tax is:</b>
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 which the tentative tax to be computed is:**      **The tentative tax 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 **SEC. 403. REQUIRED MINIMUM 10-YEAR TERM, ETC., FOR**  
4 **GRANTOR RETAINED ANNUITY TRUSTS.**

5 (a) IN GENERAL.—Subsection (b) of section 2702 is  
6 amended—

7 (1) by redesignating paragraphs (1), (2), and  
8 (3) as subparagraphs (A), (B), and (C), respectively,  
9 and by moving such subparagraphs (as so redesign-  
10 nated) 2 ems to the right;

11 (2) by striking “For purposes of” and inserting  
12 the following:

13 “(1) IN GENERAL.—For purposes of”;

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

17 (4) by adding at the end the following new  
18 paragraph:

19 “(2) ADDITIONAL REQUIREMENTS WITH RE-  
20 SPECT TO GRANTOR RETAINED ANNUITIES.—For  
21 purposes of subsection (a), in the case of an interest  
22 described in paragraph (1)(A) (determined without  
23 regard to this paragraph) which is retained by the  
24 transferor, such interest shall be treated as de-  
25 scribed in such paragraph only if—

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

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

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

12       (b) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to transfers made after the date  
14 of the enactment of this Act.

15 **SEC. 404. CERTAIN TRANSFER TAX RULES APPLICABLE TO**  
16 **GRANTOR TRUSTS.**

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

19       **“CHAPTER 16—SPECIAL RULES FOR**  
20 **GRANTOR TRUSTS**

“Sec. 2901. Application of transfer taxes.

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

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

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

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

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

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

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

20                 “(2) the portion of the trust to which a person  
21                 who is not the grantor is a deemed owner by reason  
22                 of the rules of subpart E of part 1 of subchapter J  
23                 of chapter 1, and such deemed owner engages in a  
24                 sale, exchange, or comparable transaction with the  
25                 trust that is disregarded for purposes of subtitle A.

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

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

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

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

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

20 “(e) REDUCTION FOR TAXABLE GIFTS TO TRUST  
21 MADE BY OWNER.—The amount to which subsection (a)  
22 applies shall be reduced by the value of any transfer by  
23 gift by the deemed owner to the trust previously taken  
24 into account by the deemed owner under chapter 12.

1       “(f) LIABILITY FOR PAYMENT OF TAX.—Any tax im-  
2 posed pursuant to subsection (a) shall be a liability of the  
3 trust.”.

4       (b) CLERICAL AMENDMENT.—The table of chapters  
5 for subtitle B is amended by adding at the end the fol-  
6 lowing new item:

“CHAPTER 16. SPECIAL RULES FOR GRANTOR TRUSTS”.

7       (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply—

9           (1) to trusts created on or after the date of the  
10 enactment of this Act;

11           (2) to any portion of a trust established before  
12 the date of the enactment of this Act which is attrib-  
13 utable to a contribution made on or after such date;  
14 and

15           (3) to any portion of a trust established before  
16 the date of the enactment of this Act to which sec-  
17 tion 2901(a) of the Internal Revenue Code of 1986  
18 (as added by subsection (a)) applies by reason of a  
19 transaction described in section 2901(b)(2) of such  
20 Code on or after such date.

21 **SEC. 405. ELIMINATION OF GENERATION-SKIPPING TRANS-**  
22 **FER TAX EXEMPTION FOR CERTAIN TRUSTS.**

23       (a) IN GENERAL.—Section 2642 is amended by add-  
24 ing at the end the following new subsection:

1       “(h) ELIMINATION OF GST EXEMPTION FOR CER-  
2 TAIN TRUSTS.—

3               “(1) IN GENERAL.—

4                       “(A) TRANSFERS FROM NON-QUALIFYING  
5 TRUSTS.—In the case of any generation-skip-  
6 ping transfer made from a trust that is not a  
7 qualifying trust, the inclusion ratio with respect  
8 to any property transferred in such transfer  
9 shall be 1.

10                      “(B) QUALIFYING TRUST.—For purposes  
11 of this subsection, the term ‘qualifying trust’  
12 means a trust for which the date of termination  
13 of such trust is not greater than 50 years after  
14 the date on which such trust is created.

15                      “(2) TRUSTS CREATED BEFORE DATE OF EN-  
16 ACTMENT.—In the case of any trust created before  
17 the date of the enactment of this subsection, such  
18 trust shall be deemed to be a qualifying trust for a  
19 period of 50 years after the date of the enactment  
20 of this subsection.

21                      “(3) DATE OF CREATION OF CERTAIN DEEMED  
22 SEPARATE TRUSTS.—In the case of any portion of a  
23 trust which is treated as a separate trust under sec-  
24 tion 2654(b)(1), such separate trust shall be treated

1 as created on the date of the first transfer described  
2 in such section with respect to such separate trust.

3 “(4) DATE OF CREATION OF POUR-OVER  
4 TRUSTS.—In the case of any generation-skipping  
5 transfer of property which involves the transfer of  
6 property from 1 trust to another trust, the date of  
7 the creation of the transferee trust shall be treated  
8 as being the earlier of—

9 “(A) the date of the creation of such trans-  
10 feree trust, or

11 “(B) the date of the creation of the trans-  
12 feror trust.

13 In the case of multiple transfers to which the pre-  
14 ceding sentence applies, the date of the creation of  
15 the transferor trust shall be determined under the  
16 preceding sentence before the application of the pre-  
17 ceding sentence to determine the date of the creation  
18 of the transferee trust.

19 “(5) 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) EFFECTIVE DATE.—The amendments made by  
24 this section shall take effect on the date of the enactment  
25 of this Act.



1 **SEC. 406. SIMPLIFYING GIFT TAX EXCLUSION FOR ANNUAL**  
2 **GIFTS.**

3 (a) IN GENERAL.—Paragraph (1) of section 2503(b)  
4 is amended to read as follows:

5 “(1) IN GENERAL.—

6 “(A) LIMIT PER DONEE.—In the case of  
7 gifts made to any person by the donor during  
8 the calendar year, the first \$10,000 of such  
9 gifts to such person shall not, for purposes of  
10 subsection (a), be included in the total amount  
11 of gifts made during such year.

12 “(B) CUMULATIVE LIMIT PER DONOR.—

13 “(i) IN GENERAL.—The aggregate  
14 amount excluded under subparagraph (A)  
15 with respect to all transfers described in  
16 clause (ii) made by the donor during the  
17 calendar year shall not exceed twice the  
18 dollar amount in effect under such sub-  
19 paragraph for such calendar year.

20 “(ii) TRANSFERS SUBJECT TO LIMITA-  
21 TION.—The transfers described in this  
22 clause are—

23 “(I) a transfer in trust,

24 “(II) a transfer of an interest in  
25 a passthrough entity,

1                   “(III) a transfer of an interest  
2                   subject to a prohibition on sale, and

3                   “(IV) any other transfer of prop-  
4                   erty that, without regard to with-  
5                   drawal, put, or other such rights in  
6                   the donee, cannot immediately be liq-  
7                   uidated by the donee.”.

8           (b) CONFORMING AMENDMENT.—Section 2503 is  
9 amended by striking subsection (c).

10          (c) REGULATIONS.—The Secretary of the Treasury,  
11 or the Secretary of the Treasury’s delegate, may prescribe  
12 such regulations or other guidance as may be necessary  
13 or appropriate to carry out the amendments made by this  
14 section.

15          (d) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to any calendar year beginning  
17 after the date of the enactment of this Act.

## 18                   **TITLE V—ACCESSIBILITY** 19                   **REQUIREMENTS**

### 20 **SEC. 501. ACCESSIBILITY REQUIREMENTS.**

21          In the case of housing that is constructed, altered,  
22 or otherwise assisted using amounts made available to the  
23 Secretary of Housing and Urban Development under this  
24 Act or an amendment made by this Act, sections 8.22 and  
25 8.23 of title 24, Code of Federal Regulations (or any suc-

1 cessor regulations) shall be applied such that the number  
2 of dwelling units required to be accessible under those sec-  
3 tions is twice the number that would otherwise be required  
4 to be accessible under those sections.