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WASHINGTON POLICY STRATEGY

# Potomac Perspective

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The House could vote next week on a revised housing bill. The updated bill includes a restriction, favored by the Trump administration, to limit the ownership of single-family homes by institutional investors. It is also more flexible on build-to-rent (BTR) than is the Senate's housing bill. The House bill also includes several non-housing provisions which will probably be DOA in the Senate. We think that the chances have improved that a housing bill will pass this year. If a housing bill becomes law in 2026, we suspect that the provisions on institutional ownership of single-family homes and the build-to-rent exemption will be closer to the House's version than the Senate's.

- **The house could vote next week on a revised housing bill** – The House could vote as early as next week on a [revised housing bill](#) that was released on Wednesday night. The updated version of the *21<sup>st</sup> Century ROAD to Housing Act* reflects House members' differences with a Senate housing bill on some key issues. The bill will likely pass the House with bipartisan support, but several key elements are likely to be rejected in the Senate. As with the previous version of the housing bill (both in the House and Senate), we do not believe that the legislation will have a material impact on the housing market. Among the bill's provisions, we highlight the following items:
  - **Less onerous institutional investor ownership restrictions** – The new ROAD Act includes restrictions on the ownership of single-family homes by institutional investors, but the revised bill is more flexible than the Senate's version. The House bill includes a definition of "single-family home" that is narrower than the Senate's and will impact fewer properties. Also, unlike the Senate bill, the House bill does not include a seven-year divestment period for build-to-rent homes.
  - **Manufactured housing** – Like the Senate bill and the previous version of the House's legislation, the new version of the housing bill includes changes that would remove the "permanent chassis" requirement from the definition of "manufactured housing." This change should have a positive impact on the manufactured housing sector.
  - **Community bank and credit union regulatory relief** – Just as the previous version of the House's bill, the revised legislation includes provisions regarding:
    - custodial and reciprocal deposits;
    - an increase of the threshold for banks that can qualify for 18-month exam cycles;
    - changes in rules regarding the acquisition of failed banks;
    - changes to allow for more *de novo* bank charters; and
    - modifications to the requirements of board meetings for well-capitalized and well-managed credit unions.
  - **Central bank digital currency (CBDC)** – The revised bill adds a new section that would prohibit the Federal Reserve from issuing a CBDC.
- **Next steps** – Once the bill passes the House (probable), negotiations involving the House, Senate, and the White House are likely to intensify. President Trump recently breathed new life into the bill, and housing legislation appears to be a higher priority than it was a few weeks ago. However, there are parts of the House legislation that will fail to

gain sufficient Democratic support in the Senate. For example, Senate Democrats will likely reject the CBDC ban and community bank sections. At the same time, we think the House’s version of the institutional investor limits on single-family rent (SFR) and BTR is likely to be close to the final version, if a housing bill is enacted in 2026.

- o Currently, Kalshi shows a 75% chance that the “Housing for the 21<sup>st</sup> Century Act” will become law in 2026 and an 81% chance that legislation restricting institutional ownership of SFR will be passed this year. We are not as sanguine on the chances of these items being enacted this year, but we agree that the probability that these items will be enacted this year is above 50%. We also note that the probabilities cited above do not specify the form in which these items will pass. We reiterate that we think it is more likely that a final bill will reflect the House’s language on SFR restrictions and BTR.

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