



MORTGAGE BANKERS ASSOCIATION

July 28, 2025

The Honorable Tim Scott
Chairman
Committee on Banking, Housing,
and Urban Affairs
524 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Elizabeth Warren
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
524 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Scott and Ranking Member Warren:

On behalf of the Mortgage Bankers Association (MBA)¹, I write to commend you (and the other members of the committee) for crafting a comprehensive, bipartisan package that seeks to expand and preserve housing supply, improve housing affordability and access, and bolster the oversight and integrity of our federal housing programs. I am also writing to express our members' more specific views on various sections of the *Renewing Opportunity in the American Dream to Housing Act*, also known as the "*ROAD to Housing Act of 2025*," legislation to be considered by the Senate Banking Committee tomorrow.

MBA **supports** this proposal designed to address the nation's housing affordability challenges. These problems demand the focused attention of Congress and the federal agencies that regulate key aspects of the housing ecosystem. Both legislative and regulatory reforms are needed to appropriately improve affordability and address the nation's housing supply shortage, so we strongly support building a bipartisan consensus on these issues to promote the enactment of workable solutions.

As the committee conducts its markup of the *ROAD to Housing Act*, I ask that you consider our views regarding specific sections of the legislation as introduced – and act to further refine and strengthen the legislation, as suggested:

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 390,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

Sec. 203 – Housing Supply Frameworks Act

MBA **supports** this section, which directs the Department of Housing and Urban Development (HUD) to develop best practice frameworks for zoning and land-use policies, helping communities identify and overcome barriers to housing development.

Sec. 208 – Unlocking Housing Supply Through Streamlined and Modernized Reviews Act

MBA **supports** this section, which “right-sizes” National Environmental Protection Act (NEPA) reviews for small and infill housing projects and simplifies the assessment process in a manner that will accelerate the start of construction work on housing projects – thereby bringing them to completion more quickly.

Sec. 211 – Build More Housing Near Transit Act

MBA **supports** this section, which amends the Capital Investment Grants (CIG) program in the Federal Transit Administration (FTA) to provide an optional increased rating in the agency’s evaluation process for projects in areas that establish pro-housing policies near public transportation routes.

Sec. 213 – Housing Affordability Act

MBA **supports** this section, which requires the Federal Housing Administration (FHA) at HUD to study outdated statutory multifamily loan limits and report to Congress on both their appropriateness and the adoption of an adjustment index that could more accurately reflect the cost of multifamily construction. It also grants HUD rulemaking authority, with FHA input, to adjust those limits to better match housing market conditions and costs and enhance affordability.

Sec. 401 – Creating Incentives for Small Dollar Loan Originators

MBA **supports** this section, which requires the Consumer Financial Protection Bureau (CFPB) to issue a report to Congress studying the effect of various factors of loan originator compensation on the availability of small dollar mortgage loans and to assess the barriers they pose to the availability of small-dollar mortgages to consumers. Section 401 also gives the CFPB the flexibility to amend rules to encourage small dollar loan origination.

Sec. 402 – Small Dollar Mortgage “Points and Fees”

MBA **supports** this section, which requires the CFPB and the Federal Housing Finance Agency (FHFA) to evaluate the impact of existing regulations that limit the “points and

fees” that lenders can charge on qualified mortgage loans, which vary by loan limit. Based on such evaluation, the provision directs CFPB to make any necessary regulatory changes to points and fees to help encourage additional lending for small-dollar mortgages.

Sec. 502 – HOME Investment Partnerships Reauthorization and Improvement Act

MBA **supports** this section, which reauthorizes the HOME Investment Partnerships Program and makes critical updates to improve program administration and facilitate the construction of more affordable housing.

Sec. 503 – Rural Housing Service (RHS) Reform Act

On May 2, 2023, MBA testified before this panel’s relevant subcommittee in support of this legislation in the prior Congress, stating that:

“Our members are indispensable partners to RHS, as they are both the providers and servicers of RHS loans. Updating and reauthorizing RHS programs is an important part of a comprehensive strategy needed to meet the nationwide shortage in access to affordable housing. These programs are worthy of our nation’s commitment to them. RHS loan programs play a vital role in increasing the availability of mortgage credit for rural Americans.”

Accordingly, MBA **supports** this section, which enacts reforms to the United States Department of Agriculture (USDA) Rural Housing Service (RHS) loan program, including vital information technology upgrades, improving lending for Accessory Dwelling Units (ADUs) and making USDA home loans assumable. However, MBA believes that Section 503 should be further refined to make clear that the assumption of a loan only applies to new loans made after the date of enactment and that the Secretary of Agriculture may issue a rule to allow servicers of loans guaranteed under section 502 of the Housing Act of 1949 (42 U.S.C. 11 1472) to charge fees to borrowers for transaction costs associated with the loan.

Sec. 601 – VA Home Loan Awareness Act

While supportive of the intent, MBA has reservations about this section, which adds a disclosure to Fannie Mae and Freddie Mac’s Uniform Residential Loan Application (URLA) form to ensure that veterans are made aware of their home loan benefits through the Department of Veterans Affairs (VA), which may provide a more affordable lending option. While MBA welcomes enhanced awareness of all loan options, especially the VA Home Loan Program, this modification will be costly to implement and is unlikely to result

in any additional VA loan awareness or issuance (given the processes lenders already have in place to inform consumers of their choices long before they are exposed to relevant URLA documents). For example, mortgage applications currently ask for information about borrowers' military service histories.

Sec. 602 – Veterans Affairs Loan Informed Disclosure (VALID) Act

Again, while supportive of the intent, MBA has reservations about this section, which amends FHA's Informed Consumer Choice Disclosure to provide a price comparison between FHA and GSE products, to include a comparison on VA pricing. Accurate pricing requires a Certificate of Eligibility and the disability status of all borrowers. As noted regarding Section 601, these steps will be costly to implement and are unlikely to result in any additional VA loan issuance given the processes lenders have in place to inform consumers of their choices well before reading URLA documents. Solutions that improve the VA Home Loan product and, thereby, potential perceptions of the program (as compared to FHA loans), will improve utilization most effectively.

Sec. 705 – Appraisal Modernization Act

MBA believes that Section 705, as drafted, mandates specific appraisal processes that will limit the ability of lenders, based on their operational structures, to best serve their customers during changing market conditions. As appraisal practices and technologies continue to evolve, our members are concerned that codifying such specific procedures in statute will make it difficult to refine and improve implementation over time.

Therefore, MBA opposes this section in its current form, which amends the Truth in Lending Act (TILA) to require mortgage lenders to maintain procedures to allow for consumer-initiated requests for second appraisals, or reconsiderations of value (ROV), when the consumer believes there may be an issue with their appraised home value.

While the intent of the section is to codify the residential appraisal process, as currently drafted, this approach has problematic legal and operational implications for lenders. TILA was not designed to govern operational procedures. By making the ROV process subject to TILA this section creates significant new liability for lenders making good faith efforts to comply with the ROV process.

Furthermore, the bill creates a *de facto* right to a second appraisal and requires the lender to bear the full cost. This approach presumes wrongdoing without a formal adjudicative process, which could deter new entrants from joining the appraisal profession and result in higher borrower costs.

Ideally, MBA believes the committee should consider striking this section and replacing it with language directing the federal housing agencies to implement a ROV through regulations. Alternatively, MBA asks for the opportunity to continue working with the committee (and other stakeholders) to revise Section 705 in a manner that provides an accurate and transparent ROV process – without imposing punitive penalties on lenders.

Sec.801 – HUD-USDA-VA Interagency Coordination Act

MBA **supports** this section which directs HUD, USDA, and the VA to identify areas for collaboration to streamline and then improve housing program implementation. These agencies should use this opportunity to adopt FHA's use of a housing policy "drafting table," develop uniform loss mitigation options, and seek to reduce fees.

Conclusion

MBA believes the *ROAD to Housing* package contains many beneficial reforms designed to increase affordable housing construction options, small-dollar mortgage lending, construction grants, and the building or preservation of housing in Opportunity Zones – while promoting enhanced oversight of federal agencies engaged on housing matters.

MBA and its members **support** the favorable reporting of the *ROAD to Housing* package to advance these bipartisan housing priorities. We look forward to the opportunity to collaborate with you, your staff, and other stakeholders to further refine and improve the proposal as it moves toward floor consideration by the full Senate.

Thank you in advance for the consideration of the views expressed within this letter.

Sincerely,



Bill Killmer
Senior Vice President
Legislative and Political Affairs

cc: All Members of the Senate Committee on Banking, Housing, and Urban Affairs