



Renewing Opportunity in the American Dream (ROAD) to Housing Act **Section-by-Section**

Title 1 – Improving Financial Literacy

Sec. 101. Reforms to housing counseling and financial literacy programs.

Requires housing counseling assistance through the Department of Housing and Urban Development (HUD) to be distributed in a geographically diverse manner to appropriately consider organizations serving rural and urban areas and requires assistance to be prioritized for organizations serving areas with the highest foreclosure rates.

Updates HUD's requirement that housing counselors demonstrate their competence through a one-time examination by creating an ongoing review process where housing counselors working with Federal Housing Administration (FHA)-insured borrowers are compared to their peers in the areas they serve using factors set by HUD.

Provides HUD authority to retest a counselor or suspend certification if, in HUD's determination, the counselor underperforms and permits HUD to terminate assistance to the housing counseling organization after proper notice and opportunity to be heard are provided.

Requires housing counseling services to be made available for borrowers served through FHA or the Departments of Agriculture (USDA) or Veterans Affairs (VA) who are 60 or more days delinquent, and the cost of such counseling for delinquent FHA borrowers shall be paid for from FHA's insurance fund.

Title 2 – Increasing Access to Housing

Sec. 201. Rental assistance demonstration program.

Eliminates the cap on the number of public housing units that may be converted under the Rental Assistance Demonstration (RAD) to allow for other forms of federal assistance and provide opportunity for private investment that is currently unavailable for public housing.

Sec. 202. Loan originator compensation.

Directs the Bureau of Consumer Financial Protection (CFPB) to update Regulation Z and increase flexibilities for loan originator compensation to encourage origination of small dollar mortgages under \$70,000.

Sec. 203. Small dollar mortgage points and fees.

Directs the CFPB, in consultation with HUD and the Federal Housing Finance Agency (FHFA), to revise CFPB regulations to encourage additional lending to borrowers seeking small dollar loans under \$70,000.

Title 3 – Increasing Access to Housing

Sec. 301. Authorization of Moving to Work Program.

Fully authorizes the MTW Program and requires evaluation of housing reforms undertaken by MTW participants to identify replicable program models to improve cost-efficiency and outcomes for families in HUD-assisted housing.

Sec. 302. Promoting self-sufficiency.

Directs HUD to study the impact of work requirements for HUD-assisted residents served by PHAs as part of the Moving to Work (MTW) Program, but only after determining that enough applicants to MTW would be interested in implementing work requirements as a policy so that a rigorous evaluation could be conducted and no low-income families would be negatively impacted.

Sec. 303. Definition of manufactured home.

Updates the definition of manufactured home, which is limited to structures that are built on a permanent chassis, to include other modular or prefabricated housing by striking the limitation. To ensure states' definitions align with the updated federal definition, states will certify to HUD that their laws and regulations treat manufactured homes built without a permanent chassis in parity with such homes built on a permanent chassis before allowing the manufacture, installation, or sale of manufactured homes without a permanent chassis. Directs HUD to provide model guidance to states to assist them in their submission of certifications.

Title 4 – Serving the Most Vulnerable

Sec. 401. Homelessness reforms.

Authorizes HUD to pay-for-success with a ten percent set aside of funds made available for grantees of the Continuum of Care and Emergency Solutions Grants Programs if they can measurably improve outcomes for the homeless individuals served by those programs, as determined by HUD.

Title 5 – Promoting Opportunity

Sec. 501. Opportunity Zone priority.

Requires HUD to prioritize awarding of competitive grants relating to the construction or preservation of housing to recipients located in or that primarily serve communities designated as Opportunity Zones.

Title 6 – Good Governance

Sec. 601. Annual testimony.

Requires the HUD Secretary to testify before Congress annually on the status of all programs carried out by the Department, and requires annual testimony from officials administering government guaranteed or insured mortgage programs.

Updates a requirement that FHA's Mortgagee Review Board make annual recommendations to HUD's Secretary on legislative or regulatory improvements to FHA's programs by requiring such recommendations be made to Congress.

Sec. 602. FHA Reporting.

Requires frequent, monthly reporting to Congress by HUD on the strength of FHA's Mutual Mortgage Insurance (MMI) Fund, which, under current law, must maintain sufficient capital reserves and a capital ratio above two percent. This provision further requires HUD to notify Congress as soon as practicable when the MMI Fund capital ratio falls below two percent.

Requires FHA's annual report and its annual independent actuarial study to represent to Congress how many true, first-time homebuyers are served through FHA. For purposes of reporting, a first-time homebuyer will be defined as a borrower whose credit report does not indicate the borrower has or had a loan for a residential, single-family property. FHA currently represents first-time homebuyer as a borrower who has not owned a home in the last three years.

Directs the Government Accountability Office (GAO) to study and recommend to Congress whether FHA should set parameters and define sustainable homeownership that considers how borrowers fare with FHA-insured loans, including whether they default, refinance into a conventional loan, return to renting, and other factors that may measure how FHA successfully serves its intended borrowers, including first-time homebuyers as redefined in this section.

Sec. 603. United States Interagency Council on Homelessness.

Requires annual testimony before Congress from the United States Interagency Council on Homelessness (USICH) and submission of an annual report to Congress by USICH that describes how USICH is executing its statutorily required National Strategic Plan to End Homelessness, whether any changes were made to the plan as well as justifications for such changes, and an estimate of when homelessness will be ended.

Sec. 604. Neighborworks oversight.

Authorizes HUD's Office of Inspector General to carry out independent oversight of Neighborworks and clarifies that Neighborworks is a government corporation whose employees may seek whistleblower protections from the Office of Special Counsel (OSC).