

PUBLICATION

21st Century ROAD to Housing Act Clears the Senate: What Single Family Mortgage Lenders Should Know

Authors: Kara M. Ward

March 19, 2026

When the U.S. Senate passed the 21st Century ROAD to Housing Act (H.R. 6644) last week, it was by an 89–10 vote, which is an unusually strong bipartisan margin in the current Congress. Despite that vote, the bill's path to enactment remains uncertain because the Senate-passed version is not a clean match to the bill previously approved by the House. As a result, the House must now decide whether to accept the Senate package, amend it and return it to the Senate, pursue a conference process that would reopen negotiations, or adopt a "mission accomplished" view in light of the President's recent Executive Orders on housing.

For single-family mortgage lenders, the significance of the bill extends beyond the headline politics. While much of the legislation focuses on housing supply and federal program reforms, several provisions would directly affect origination and servicing workflows. In particular, lenders should watch for potential changes relating to (i) U.S. Department of Veterans Affairs (VA)- and Federal Housing Administration (FHA)-related disclosures and the Uniform Residential Loan Application (URLA), (ii) appraisal reconsideration-of-value (ROV) procedures, (iii) Federal Housing Administration (FHA) treatment of modular and modern manufactured housing, (iv) restrictions affecting institutional investor activity in the single-family market, and (v) a new 30-day delinquency counseling requirement with funding and implementation questions.

Why an 89–10 Vote Does Not End the Story

The Senate bill combines a core (about 17 provisions) of bipartisan- and bicameral- supported housing supply provisions with a smaller set of higher-friction sections that have drawn targeted stakeholder objections. As the center of activity on the bill moves to the House, the legislative debate is likely to focus less on the overall framework and more on whether – and how – those discrete provisions are revised.

Three factors will shape the next phase:

- **The Administration has expressed support for the Senate package**, tying that support in part to provisions addressing institutional investor activity in the single-family market.
- **House leadership has signaled interest in revisiting the Senate text**, particularly where it diverges from House priorities or introduces concepts not included in the original House bill.
- **Industry support is conditional**, with many stakeholders backing the bill's supply-side and program reforms while urging changes to specific provisions they view as operationally risky or counterproductive. Most notably, the institutional investor restriction (Section 901) and the new delinquency counseling mandate (Section 101) are ripe for revision if the legislative process continues.

The Text

The Senate amendment in the nature of a substitute (ANS) covers **financial literacy and counseling, U.S. Department of Housing and Urban Development (HUD) program reforms (HOME Investment**

Partnerships Program/Community Development Block Grant, disaster recovery, rural housing), manufactured and modular housing, veterans' housing, oversight, and the new institutional investor restriction. A detailed section-by-section summary is available from Senate Banking [here](#), and the Senate-passed bill text is publicly posted [here](#).

Highlights for the Single-Family Mortgage Ecosystem

Although the bill is framed largely around housing supply, several sections speak directly to front-end origination practices, consumer disclosures, appraisal processes, and servicing obligations.

1) Veterans' loan disclosures: New prompts for VA-eligible borrowers

- **Section 601 – VA Home Loan Awareness Act**
Adds a disclosure to the URLA used by Fannie Mae and Freddie Mac to help ensure applicants with military service are made aware they may qualify for a VA Home Loan benefit.
- **Section 602 – Veterans Affairs Loan Informed Disclosure (VALID) Act**
Expands the FHA Informed Consumer Choice Disclosure to include VA Home Loan program pricing comparisons, allowing eligible borrowers to compare FHA and VA options side-by-side.

What we are watching:

These requirements would trigger form and disclosure updates with real operational costs, including Labor Code Section (LOS) template changes, compliance testing, vendor integrations, and training for loan officers and fulfillment staff.

2) Appraisal processes and reconsiderations of value (ROVs)

- **Section 704 – Appraisal Modernization Act**
Directs United States Department of Agriculture (USDA), FHA, and Federal Housing Finance Agency (FHFA) to require participating lenders to implement and maintain formal procedures for consumer-initiated ROVs and second appraisal requests.

What we are watching:

Lenders should expect more explicit regulator expectations around intake, escalation, documentation, timelines, and borrower communications when ROVs are requested. These processes are likely to intersect with fair lending and complaint management frameworks.

3) Factory-built housing: Manufactured and modular

Two provisions are particularly relevant to lenders active in manufactured or modular housing:

- **Section 301 – Housing Supply Expansion Act**
Updates the federal definition of manufactured housing to reflect modern factory-built construction by allowing HUD Code homes not built on a permanent steel chassis to qualify as manufactured housing. This change would allow a wider range of factory-built homes to access HUD Code efficiencies, including preemption, uniform construction standards, and streamlined approvals.
- **Section 302 – Modular Housing Production Act**
Requires FHA to assess barriers to FHA-insured lending for modular construction and directs HUD/FHA to consider operational changes (for example, financing draw schedules) better aligned with off-site construction timelines.

What we are watching:

These provisions reinforce a major policy victory for the industry. With this legislation, there is a shift toward treating modern factory construction as a core housing-supply strategy rather than a niche product, with potential downstream implications for mainstream housing finance eligibility.

4) Institutional investor restriction: Implications for single-family residence (SFR) and build-to-rent (BTR) markets

- **Section 901 – Homes Are for People, Not Corporations**
Prohibits large institutional investors from purchasing certain single-family homes, subject to conditional exemptions. Stakeholder letters have raised particular concerns about the forced disposition timeline applicable to build-to-rent operations seeking to qualify for an exemption.

5) 30-day delinquency counseling requirement: A new servicing mandate

- **Section 101 – Reforms to Housing Counseling and Financial Literacy Programs**
Adds a requirement that borrowers with a "covered mortgage loan" – including FHA-insured loans and loans made, guaranteed, or insured by VA and USDA – who become 30 days delinquent must be given an opportunity to participate in housing counseling. The bill ties payment for counseling to the Mutual Mortgage Insurance Fund (MMIF), creating a new affirmative compliance obligation for servicers.

Practical Takeaways For Mortgage Lenders

- **Inventory operational touchpoints:** URLA disclosures (Section 601), FHA/VA comparison disclosures (Section 602), and ROV workflows (Section 704) all implicate systems, vendors, and training.
- **Monitor revisions to the anti-investor provision** if you lend into SFR or build-to-rent strategies or originate in markets where investor activity materially affects inventory and pricing.
- **Servicers and lenders retaining mortgage servicing rights (MSR)** should begin modeling compliance pathways for the 30-day counseling requirement and monitor potential changes to the trigger, scope, or funding mechanism.
- **Factory-built product and policy teams** should watch FHA implementation signals under Title III, which could open new origination opportunities if barriers are meaningfully reduced.

For more information or assistance on this topic, please contact [Kara M. Ward](#) or a member of Baker Donelson's [Financial Services Team](#).