

American Housing and Economic Mobility Act – 117th Congress
Senator Elizabeth Warren & Congressman Emanuel Cleaver

Housing is the largest expense for most American families, and costs are rising every day. In almost every community in America – rural, suburban, urban – it’s getting harder to rent a home or put together a down payment.

That’s partly because government housing policy has failed working families. Instead of supporting development and promoting competition, state and local governments have imposed needless rules that substantially [raise the cost](#) of buying or renting a home. At the same time, the federal government has steadily [reduced investments](#) in producing decent housing for lower-income and middle-class families, which creates shortages that [drive up costs for everyone](#), produces crumbling and unsafe housing stock in many urban and [rural](#) communities, and [slows economic growth](#).

Homeownership is the primary way that American families build wealth – but for decades, misguided and discriminatory federal policy has excluded millions of families from the American Dream. Decades of government-backed housing discrimination [blocked](#) Black families from buying homes and drained wealth out of Black communities.

The American Housing and Economic Mobility Act will help bring down costs for renters and buyers and level the playing field so working families everywhere can find a decent place to live at a decent price. The Act:

- **Controls the cost of renting or buying a home by leveraging federal funding to build around 3 million new housing units – bringing down rents for lower-income and middle-class families by 10% according to an independent analysis from Moody’s Analytics.** This bill will help address the shortage of millions of affordable homes nationwide by:
 - Investing \$445 billion in the *Housing Trust Fund* to build, rehabilitate, and operate up to 2.1 million homes for low-income families, including in rural areas and in Indian country where housing quality is especially poor.
 - Investing \$25 billion in the *Capital Magnet Fund*, which will be leveraged 10:1 with private capital, to build more than 835,000 new homes and develop vibrant communities for lower-income and middle-class families.
 - Investing \$4 billion in a new *Middle-Class Housing Emergency Fund*, which supports construction or acquisition of homes, to be made affordable in perpetuity, for middle-class buyers and renters where there’s a supply shortage and housing costs are rising faster than incomes.
 - Investing \$523 million in rural housing programs to create 380,000 rentals and help 17,000 families buy homes.
 - Investing more than \$2.5 billion to build or rehabilitate 200,000 homes for Native Americans and Native Hawaiians.
 - Investing more than \$3 billion in the *Public Housing Capital Fund* to help maintain critical affordable public housing units.
 - Changing the rules to stem the pipeline of government owned, foreclosed, or distressed homes to private equity firms, including through the Claims Without Conveyance of Title program.

- **Provides assistance to people hurt by federal housing policy failures.**
 - **Down payment assistance to communities historically denied mortgages by the government.** The federal government denied Black borrowers mortgage subsidies as late as the 1960s, stripping them of opportunities to build wealth. As a step to address the resulting wealth gap between white and Black families, the bill provides down payment grants to first-time homebuyers living in formerly redlined or officially segregated areas.
 - **VA-guaranteed home loan eligibility for descendants of certain veterans.** While the GI Bill provided for VA-guaranteed home loans for veterans, federal discrimination prevented many Black veterans from accessing this benefit. The bill extends eligibility for VA-guaranteed home loans to direct descendants of veterans who served between the enactment of the GI Bill and the Fair Housing Act, but did not receive that benefit.

- **Reduces the cost of housing across America by creating incentives for local governments to eliminate unnecessary land use restrictions that drive up costs.** Local land use rules can significantly increase construction costs, making it unattractive to build housing for anyone but the richest Americans. The bill puts \$10 billion into a new competitive grant program that communities can use to build infrastructure, parks, roads, or schools. To be eligible, local governments must reform land use rules that restrict production of new affordable housing, or implement measures to protect tenants from harassment and displacement.

- **Holds financial institutions accountable for providing access to credit for all Americans.** Obligations under the Community Reinvestment Act (CRA) to provide credit to low- and moderate-income communities are too weak. The bill expands the law to cover non-bank mortgage companies, promotes investment in activities that help poor and middle-class communities, and strengthens sanctions against institutions that fail to follow the rules.

- **Promotes mobility by strengthening anti-discrimination laws and improving the housing voucher program.** The bill prohibits housing discrimination based on sexual orientation, gender identity, marital status, veteran status, and source of income. The bill also makes it easier to use housing vouchers in neighborhoods with good schools and good jobs and allows tribal housing authorities to administer their own voucher programs.

- **Increases the amount of accessible housing.** All housing built or supported with funding in this legislation must have double the federal minimum amount of units with physical accessibility and sensory accessibility.

To offset the cost of this historic effort, the bill returns the estate tax thresholds to their levels at the end of the Bush Administration and sets more progressive rates above those thresholds.