



We build strength, stability, self-reliance *and* shelter.

Habitat for Humanity's Federal Policy Agenda (2025-2026)

Overview

Habitat for Humanity seeks a world in which everyone has a decent place to live. Safe, stable and affordable homes are fundamental to our health, job mobility, children's educational achievement, and overall wellbeing. They are vital to successful local economies. And we are stronger as a nation when everyone has a fair shot at attaining the security that homeownership provides and the opportunity to build wealth and a better future for oneself and one's family.

But basic necessities today simply cost too much, and nowhere is this more crippling than in housing. A record shortage of starter homes is driving up home prices and pushing the dream of homeownership out of reach for millions of hard-working families nationwide. Many Americans are encountering additional barriers to homeownership, such as limited access to mortgage capital. And existing homeowners are facing rising homeowner's insurance premiums and other cost pressures that jeopardize their ability to keep their homes.

Habitat's more than 1,000 affiliates are working to meet these challenges in all 50 states, Puerto Rico and DC. Through our home building, home repair, homebuyer readiness and neighborhood revitalization initiatives, families attain the strength, stability and independence they need to thrive. This work on the ground has given us insight into what works, as well as the obstacles that still need addressing to make lasting homeownership more attainable nationwide.

To lower homeownership costs, extend opportunities to all Americans, and foster greater security for existing homeowners, the federal government needs to take action in three critical areas:

- Increasing affordable homeownership **supply**.
- Broadening homeownership **access**.
- Improving homeownership **resilience**.

Habitat's Federal Policy Agenda for the 119th Congress outlines federal policy opportunities for Members of Congress and the new administration to make substantial progress on all three issues by reducing regulatory barriers, promoting innovation, and investing strategically in what works.

Habitat stands ready to partner with federal policymakers to get these policy solutions implemented through bipartisan support. Together we can unlock needed home building by the private and nonprofit sectors, bring down housing costs, strengthen local economies, and help more Americans achieve lasting homeownership.

Affordable Homeownership Supply

A decade of fast-rising home prices has pushed homeownership out of reach for millions of low- and moderate-income renters, including crucial members of our workforce. The chief driver of sustained high prices is the record low supply of homes for sale caused by years of underbuilding. A mix of financial and regulatory barriers have made it infeasible to construct and rehabilitate affordably priced starter homes in the communities that need them. The resulting shortage impedes workers' access to economic opportunities, holds back local economies, widens wealth gaps, and keeps millions of would-be homebuyers in the rental market where they add to the scarcity of affordable rentals. Habitat for Humanity supports the following public policy strategies to reduce the cost of building affordable starter homes and increase homeownership opportunities for modest-income homebuyers of all backgrounds.



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PRIORITIES

➤ **TOP PRIORITY: Create a Federal Homeownership Supply Accelerator**

Homeownership has become unattainable for too many people. But currently, there is no federal initiative dedicated solely to developing affordable starter homes for homeownership. To rectify this gap and put homeownership back within reach of modest-income homebuyers, Habitat for Humanity calls on Congress and the administration to enact a **Homeownership Supply Accelerator**. The intent of the Accelerator would be to empower states to develop customized solutions to local financial barriers to starter homes. It would provide flexible and comprehensive financial assistance to enable builders to construct and rehabilitate homes for low- and moderate-income homebuyers in every community that needs them — rural, urban and suburban.

The Accelerator would help both for-profit and nonprofit home builders acquire property, secure affordable construction financing and close affordability gaps. Participating states would be required to show how they would use their assistance to reach a wide range of communities and narrow gaps for local populations and communities that trail average homeownership rates.

➤ **Create and extend tax incentives for starter homes**

Tax incentives spur the creation of affordable housing across the nation by facilitating partnerships between investors and home builders. They encourage private investment in homes for low- and moderate-income families that would be otherwise infeasible to build. At present, tax credits predominantly support only affordable rental housing. By expanding tax credits for constructing homes for homeownership, we can rehabilitate millions more unsafe homes, bring down housing costs for homebuyers, and promote stability and prosperity in communities facing economic decline and long-term disinvestment. Habitat supports action by Congress to:

- a. Pass the **Neighborhood Homes tax credit**. This federal tax credit would mobilize private investment to build, repair and substantially rehabilitate homes for low- and moderate-income homeowners in economically distressed communities.
- b. Make the **New Markets Tax Credit** permanent. NMTC investments provide funding to Habitat affiliates to build or acquire homes to sell to Habitat homebuyers.

➤ **Increase appropriations for existing federal programs that expand the supply of affordable homeownership units**

The following federal resources are critical to Habitat's work. We encourage Congress and the administration to continue to support:

Department of Housing and Urban Development

- **Self-Help Homeownership Opportunity (SHOP) Program**. This program supports Habitat affiliates with land acquisition and infrastructure needs to set the stage for building.
- **HOME Investment Partnerships (HOME) Program**. This program provides funding to Habitat affiliates for a wide range of housing activities, including development and down payment assistance.
- **Section 4 Capacity Building Program**. This program helps Habitat affiliates build their capacity through organizational development that supports the production of homes.

Department of Treasury



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- **Community Development Financial Institution (CDFI) Fund.** This fund offers tailored resources and innovative programs to CDFIs, which invest federal dollars alongside private sector capital to generate economic growth and opportunity in some of the nation's most distressed communities. Multiple Habitat affiliates are CDFIs or partner with CDFIs, and Habitat for Humanity International itself has a CDFI—Habitat Capital.
- **Capital Magnet Fund (CMF).** These investments further support the housing production work of Habitat affiliates.

➤ **Incentivize local regulatory reforms**

Reforming local land use regulations is an essential element in solving the starter home shortage. Overly restrictive zoning requirements make it virtually impossible to build starter homes in communities throughout the U.S. These and other regulatory barriers drive up costs and exclude low- and moderate-income households from communities with jobs and other opportunities. To speed up reforms that make it easier to build attainable homes in a wide range of communities, Habitat supports action by Congress and the administration to:

- a. Provide financial incentives to local communities to remove barriers to affordable housing production, as provided through the **Pathways to Removing Obstacles (PRO Housing)** program.
- b. Empower the Department of Housing and Urban Development to elevate and provide technical assistance to local and state governments on best practices for reducing zoning barriers to attainable homes.
- c. Condition competitive grants for local public infrastructure on local enactment of housing-supportive regulatory reforms.
- d. Support the efforts of faith-based organizations and schools to build affordable homes on their land for homeownership and rental use.

➤ **Make land and properties more available for affordable starter homes**

The rising cost of land is a major barrier to building and preserving affordable starter homes. Competition from deep-pocketed investors presents another significant challenge. The administration and Congress should take the following steps to increase the availability of land and existing properties for starter homes:

- a. Prioritize access to federally held properties for nonprofits that build and rehabilitate starter homes for first-time homebuyers or create other forms of affordable housing.
- b. Remove tax incentives that encourage large investors to acquire and convert single-family homes to rentals.



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Equitable Homeownership Access

Everyone deserves a fair chance to purchase a home, build wealth and secure their family's future. But significant gaps in homeownership remain. Black, Latino and Native households still face systemic barriers to homeownership and own homes at lower rates, in part due to decades of policy that excluded family members from purchasing homes in growing neighborhoods. Also, in rural and small-town America, and in communities that have seen significant market shifts and job loss, mortgage capital and quality homes are scarce while affordability challenges are just as prevalent as in other parts of the country. As a result, generations of families hit hard by a changing global economy can no longer build wealth and security through homeownership, leaving millions more out of economic prosperity. The following public policy strategies would lower these barriers to make the dream of homeownership more attainable for all.

PRIORITIES

➤ **Increase appropriations for the U.S. Department of Agriculture Section 502 direct loan program**

USDA's Section 502 direct loan program is a critical tool for investing in rural communities and closing the gap in access to mortgage capital by offering affordable, fixed-rate mortgages to qualified low- and very low-income individuals and families in rural areas to purchase decent homes. We encourage Congress and the administration to continue to support the Section 502 direct loan program.

➤ **Provide down payment assistance to first-generation homebuyers**

Many families and individuals are ready for homeownership but lack the deep savings or family wealth needed for a down payment for a home. This barrier especially impacts families that have experienced economic obstacles for generations.

To ensure homeownership opportunities for everyone, Habitat supports action by Congress and the administration to provide highly targeted down payment assistance to first-generation homebuyers. While broader DPA could inflate home prices in supply-constrained markets, targeting aid to first-generation homebuyers would focus assistance to those least likely to have family support for the down payment without putting pressure on overall home prices.

➤ **Reduce barriers to enable more families to use their vouchers for homeownership**

The federal government's \$30 billion housing voucher program is an under-tapped opportunity for expanding access to affordable homeownership for very low-income families and veterans. Reduced administrative burdens and new public/private partnerships are needed to help more households convert their vouchers from renting to homeownership.

Habitat supports HUD's continued efforts to identify and eliminate barriers keeping families from participating in the Housing Choice Voucher Homeownership Program. Habitat also supports action by Fannie Mae, Freddie Mac and the Federal Housing Finance Agency to improve their underwriting guidelines to allow more families to use vouchers for homeownership.



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Homeownership Resilience

Enabling families to retain their homes enhances family stability, supports children's education, promotes community wellbeing and contributes positively to the overall economy. But threats to homeownership today are wide-ranging. They include extreme storms, spiking insurance premiums, and critical home repair needs. The following public policy strategies would help homeowners of all backgrounds hold onto their homes, keep costs manageable and thrive.

PRIORITIES

➤ Invest in home repair programs for low-income homeowners

Low-income homeowners often face costly repairs that jeopardize their safety, health and financial stability. Effective home repair programs keep families in their homes, preserve affordable housing stock, strengthen communities and enable aging in place. Habitat supports efforts to establish and enhance federal programs for owner-occupied home repair. Habitat encourages Congress and the administration to:

- a. Pass the **Whole Home Repairs Act**, which would create a national, five-year pilot program to help homeowners address critical home repairs comprehensively, modeled after the successful Pennsylvania initiative.
- b. Increase appropriations for federal programs that support repair of owner-occupied housing, including:
 - HUD's **Community Development Block Grant (CDBG) Program**, which supports Habitat affiliates with repair and infrastructure activities.
 - HUD's **Veterans Housing Rehabilitation and Modification Pilot Program**, which assists veterans in making essential home modifications.
 - HUD's **Healthy Homes Production Grant Program**, which assists low-income older adult homeowners by providing healthy homes assessments and support through repair and rehabilitation work.
 - USDA's **Section 504 Home Repair** grant and loan programs, which provide affordable repair financing for low- and very low-income rural homeowners to support aging in place efforts.
 - USDA's **Housing Preservation Grant Program**, which helps preserve existing owner-occupied housing stock in rural communities.

➤ Modernize and improve USDA's rural housing service programs

USDA's Rural Housing Service provides essential loans, grants and related assistance that offer a lifeline and spur economic growth in rural areas nationwide. Habitat for Humanity supports the **Rural Housing Service Reform Act** and other initiatives aimed at increasing investment and modernizing USDA's housing programs to ensure their effectiveness and their ability to address the housing needs of rural residents.

➤ Support funding and authorization of the Community Development Block Grant–Disaster Response program

Habitat supports robust supplemental funding for the CDBG-DR program following a major disaster to support rebuilding and repair of affordable housing. Additionally, Habitat supports authorizing the program to create a solid framework that can be consistently applied after every disaster by enacting the **Reforming Disaster Recovery Act**.



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➤ **Develop a federal homeowner's insurance solution mindful of the needs of low-income homeowners**

Extreme weather events are damaging homes in a growing number of states. As a result, homeowners have seen dramatic increases in insurance premiums and deductibles, reductions in coverage, added requirements, and even the withdrawal of insurance companies from certain markets. Low-income homeowners and homebuyers are most harmed by these changes and can least afford spikes in insurance costs. Habitat supports federal engagement and the development of a federal solution to ensure property insurance is available and affordable in the face of a changing climate.

Additional Priorities for Habitat for Humanity

➤ **Support investment in AmeriCorps**

AmeriCorps State and National members serve local Habitat affiliates in construction, client services, youth programs and volunteer management services. AmeriCorps VISTA members lead local Habitat affiliate capacity-building efforts, including partnership development and fundraising. Habitat supports robust funding for these and other AmeriCorps programs that encourage national service and volunteerism.

➤ **Support a strong nonprofit community**

Nonprofit affordable housing providers are critical players in increasing and preserving the supply of quality homes that are affordable and accessible. Habitat supports a federal policy and regulatory environment that enables a strong and effective nonprofit community.

➤ **Develop solutions for international development through adequate and affordable housing**

The United States government is a leader in global development, but it has not prioritized adequate housing in its international development programs. In a rapidly urbanizing world, Habitat calls on federal leaders to recognize that adequate and affordable housing globally can have immense impacts on human development and economic growth and that they should promote access to safe, healthy and affordable housing for all through foreign assistance priorities.