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PENNYMAC POLICY PULSE

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CONGRESSIONAL MOVEMENT ON HOUSING

The United States faces a structural and acute housing affordability crisis that demands an "all hands on deck" approach. While Washington remains divided on many issues, a rare consensus is emerging on the need to address supply constraints and regulatory friction. With the House advancing the Housing for the 21st Century Act and the Senate Banking Committee clearing the ROAD to Housing Act, we are seeing the contours of a potential legislative vehicle emerge.

From our seat, it is encouraging to see policymakers move beyond "sugar high" demand-side subsidies and focus on the structural impediments—zoning, regulatory disconnects, and supply bottlenecks—that restrict production. Below, we outline the key convergences and divergences between the two chambers' approaches, and detail our recommendations for the road ahead.

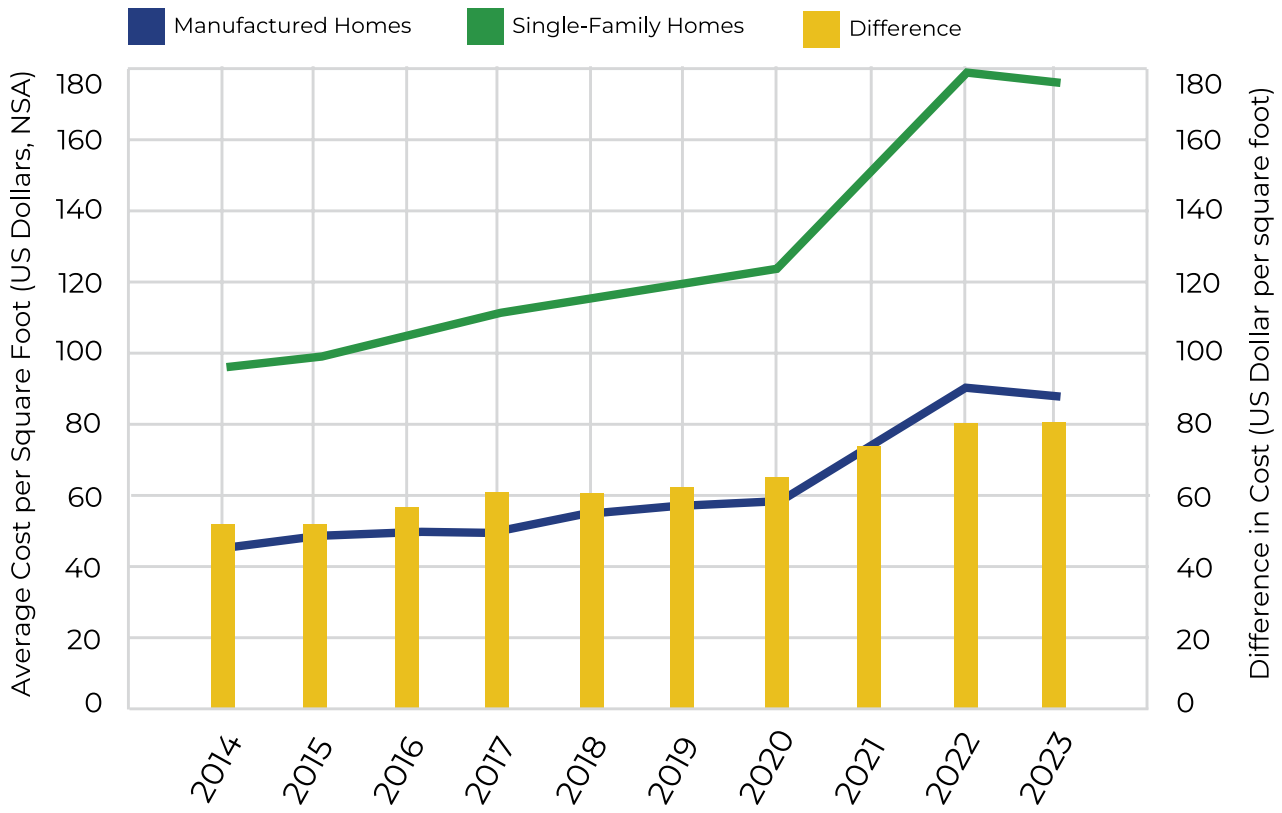
THE CORE CONVERGENCES: WHERE THE MARKET CAN EXPECT ACTION

Despite their differences, both bills embrace technical tweaks that can help at the margin. This is a strategy we have long advocated for over broad, disruptive overhauls. Areas of agreement include

- **Unlocking Manufactured Housing:** We have consistently argued that factory-built housing is uniquely positioned to address the inventory crisis. It is notable that both bills propose eliminating the antiquated "permanent chassis" requirement for manufactured homes. This regulatory modernization is a distinct positive that could lower costs and allow for more density in land-constrained markets.
- **NEPA and Regulatory Streamlining:** Both measures recognize that federal environmental reviews (NEPA) often delay essential infill and small-scale developments. Both bills propose categorical exclusions to streamline these reviews, reducing administrative burdens that drive up development costs without providing commensurate environmental benefits.

- **Agency Alignment:** Operational friction between HUD and the USDA often stalls rural housing development. Both bills mandate an MOU to align environmental reviews and inspections between the agencies. This is the kind of "good government" efficiency that improves liquidity and execution for developers and lenders alike.

DIFFERENCE IN COST BETWEEN MANUFACTURED HOMES & SINGLE-FAMILY HOMES HAVE WIDENED



Sources: Manufactured Housing Survey (HUD and Census Bureau), and NAHB anaylsis

THE DIVERGENCE: DIFFERENT VEHICLES, DIFFERENT VISIONS, SAME DESTINATION

While the destination (more supply) is the same, the vehicles differ significantly in their mechanics.

The House Approach: Deregulation and Technical Pilots

- The Housing for the 21st Century Act leans heavily into deregulation and pilot programs to test new concepts before broad implementation.
- Building Code Innovation: The House bill explicitly targets "single-stair" (Point-Access Block) building codes to maximize square footage efficiency in multifamily developments.
- Banking Focus: In a late addition, the House attached a "Strengthening Community Banks" title (Title VI), which includes regulatory relief for smaller institutions regarding exam cycles and brokered deposits. This signals the House's intent to leverage community depositories as a primary engine for local housing finance.
- FHA Loan Limits: The House takes a more prescriptive approach to FHA multifamily loan limits, mandating increases and changing the inflation index to better reflect construction costs.

The Senate Approach: Federal Levers and Funding Incentives

The ROAD to Housing Act utilizes the "power of the purse" more aggressively to drive local behavior.

- CDBG Carrots and Sticks: Perhaps the most controversial provision is the "Build Now Act" component, which would tie Community Development Block Grant (CDBG) funding to housing production outcomes. While we support incentivizing supply, conditioning federal funds introduces complexity for municipalities that may struggle with variables outside their control. On the other hand, by conditioning CDBG funding on housing production outcomes, states will be incentivized to pass more "Builder's Remedy" legislation that could allow for meaningful development across municipalities in single states (as it has done in California).
- Disaster Recovery Certainty: The Senate bill permanently authorizes the CDBG-DR program. This provides operational certainty and faster liquidity deployment post-disaster, a critical improvement over the current ad-hoc appropriation process.

AREAS FOR IMPROVEMENT

It is important to never let the perfect be the enemy of the good, but there is always room for improvement in legislating. To this end, we recommend the following changes to the effort before any final package makes it to the president's desk.

We Caution Against the Senate's Appraisal Modernization Act

From our seat, the goal of reducing appraisal bias is essential, but the mechanism proposed in Section 705 of the Senate's bill is structurally flawed. By codifying the "Reconsideration of Value" (ROV) process directly into the Truth in Lending Act (TILA), the bill attempts to hard-code dynamic operational procedures into a static federal statute. TILA was designed to govern credit disclosures, not the day-to-day workflow of appraisal reviews. Embedding these requirements here creates significant new legal liability for lenders who are making good faith efforts to comply but may trip over rigid statutory requirements.

Furthermore, we share the Mortgage Bankers Association's concern that this provision effectively establishes a "de facto right" for a consumer to demand a second appraisal at the lender's sole expense. This presumes wrongdoing without a formal adjudicative process and shifts a punitive cost burden onto lenders. Unintended consequences are the enemy of good policy; in this case, shifting these costs will likely drive up pricing for all borrowers and could deter new entrants from the appraisal profession at a time when valuation capacity is already a constraint on loan turn-times.

Rather than cementing these mandates in statute, we believe lawmakers should direct federal housing agencies to implement ROV standards through the regulatory rulemaking process. This allows for the flexibility needed to refine processes as technology and markets evolve, ensuring we address bias without calcifying inefficiencies into the law.

House VA Notification Structure Preferable to Senate's Proposal

As one of the nation's largest lenders to the veteran community, Pennymac firmly believes that every eligible servicemember should know about the significant benefits of the VA Home Loan program. We are fully aligned with the intent behind recent legislative proposals to increase utilization: veterans earned these benefits, and they offer some of the most affordable paths to homeownership in the current market. However, as we evaluate the path forward, the distinction between a "helpful" policy and a "prescriptive" bottleneck lies in the operational details.

We view the House's approach in Section 402 of the Housing for the 21st Century Act as the superior vehicle for achieving this goal. This section takes a straightforward approach by mandating a clear disclosure on the Uniform Residential Loan Application (URLA) regarding VA eligibility. It ensures the question is asked without layering on excessive compliance mandates that do not materially help the borrower at the point of application.

Conversely, we view the Senate's ROAD to Housing Act as an overly prescriptive framework that introduces significant operational hurdles. Specifically, the Senate package couples the URLA disclosure with additional mandates (such as the VALID Act provisions in Section 602) that require complex pricing comparisons between FHA, Conventional, and VA products. Accurate pricing comparisons require a Certificate of Eligibility (COE) and disability status, which are data points lenders often do not have at the initial inquiry stage. Hard-coding these procedural requirements into statute risks confusing consumers and increasing liability for lenders, rather than simply raising awareness.

We urge policymakers to adopt the House's streamlined language, which effectively signals availability without creating operational friction that could inadvertently slow down the lending process for our veterans.

Small Dollar Mortgage Provisions Warrant Attention

Both chambers identify the lack of financing for low-cost homes—specifically mortgages under $100,000—as a critical gap in the housing market. High fixed costs for origination often make these smaller loans unprofitable for lenders, leaving many potential homebuyers of affordable properties without access to credit or forced to compete against all-cash buyers. While the House and Senate bills agree on the diagnosis, they prescribe significantly different remedies to restart liquidity in this sector.

The House's version addresses the issue through direct intervention by the FHA. Section 302 authorizes HUD to establish a pilot program specifically designed to increase access to small-dollar mortgages. Rather than immediately changing broad market regulations, this approach seeks to test specific incentives and report back to Congress on their effectiveness in motivating lenders to originate these smaller loans.

Conversely, the Senate's version seeks to solve the problem by recalibrating existing financial regulations that may inadvertently stifle small-loan production. Section 401 directs the CFPB to review loan originator compensation rules to ensure lenders are not penalized for originating smaller balances. Additionally, Section 402 mandates a review of "points and fees" caps for Qualified Mortgages

(QM), authorizing the CFPB to adjust these thresholds so that lenders can cover their fixed costs without the loans being classified as high-risk or predatory.

Ultimately, the divergence represents a choice between a new programmatic vehicle and regulatory relief. The House relies on FHA to lead via a specific pilot program, while the Senate focuses on removing structural disincentives within the CFPB's rulemaking framework to make small-dollar lending economically viable for the private market. Both measures target the same $100,000 threshold, aiming to unlock homeownership opportunities for low-to-moderate-income families purchasing lower-cost properties. Therefore, we see value in both approaches being included in any final package.

OTHER PROVISIONS SHOULD BE PART OF THE HOUSING AFFORDABILITY CONVERSATION ON CAPITOL HILL

Potential Reform of Capital Gains Treatment for Primary Residences

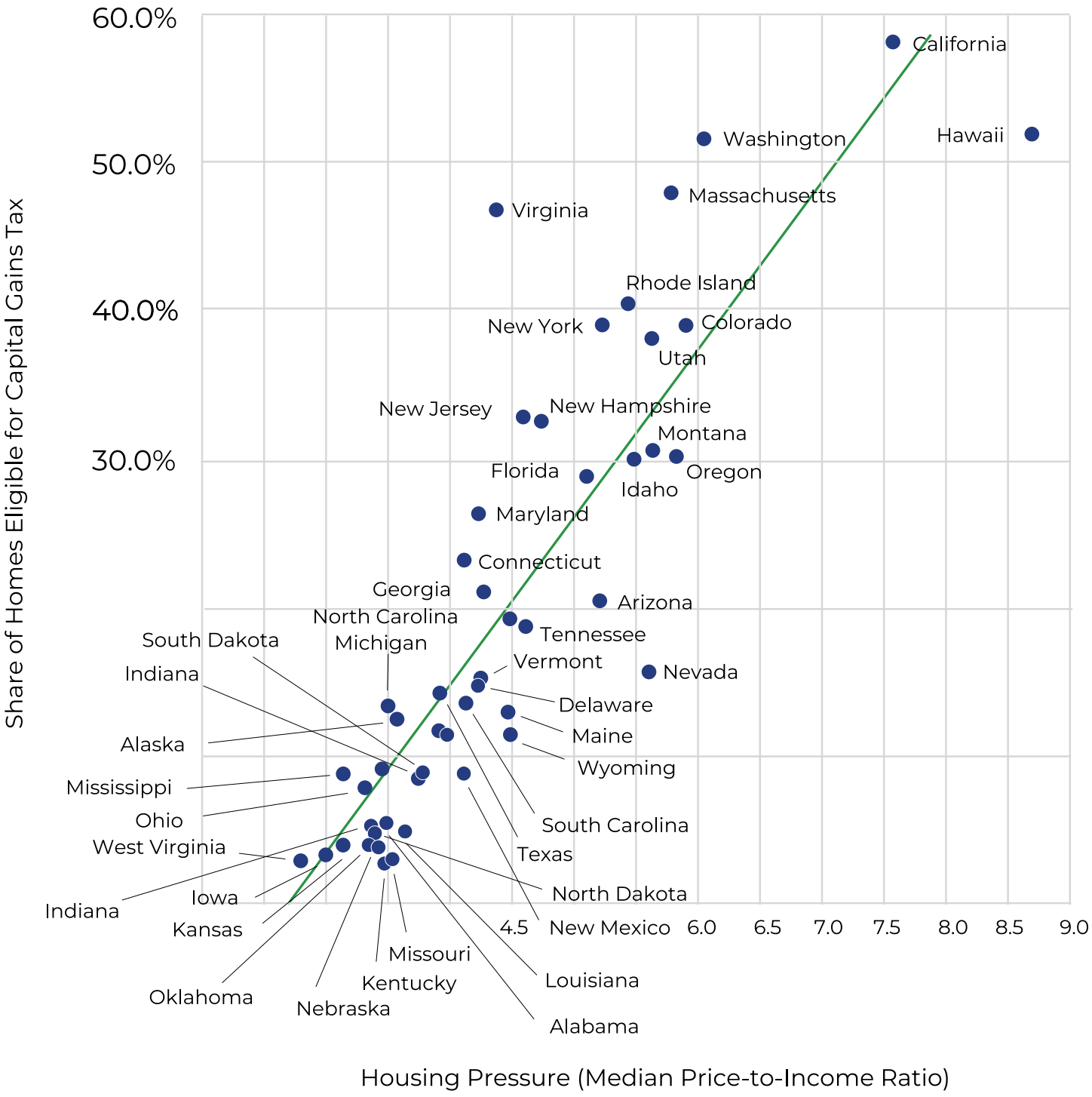
The current federal tax code may be inadvertently contributing to the national housing shortage by disincentivizing long-term homeowners from selling their primary residences. Under regulations established in 1997, the capital gains exclusion remains capped at $250,000 for single filers and $500,000 for married couples. Because housing appreciation has significantly outpaced these static caps over the last three decades, many homeowners now face a capital gains lock-in effect, where they choose to stay in homes that no longer suit their needs simply to avoid substantial tax liabilities.

This "lock-in" is particularly prevalent among empty-nest seniors, many of whom reside in homes roughly three times larger than necessary. Data indicates there are approximately 11.5 million homeowners over age 65 living in properties larger than 2,000 square feet. By choosing to hold these assets, often to secure a stepped-up basis for heirs, these owners prevent large, established homes from entering the market. This structural misallocation leaves growing families stuck in inadequate spaces and severely suppresses overall housing turnover.

Proponents of reform argue that adjusting these caps is essential for restoring market mobility. If the 1997 exclusion limits had been indexed to house price growth, they would currently stand at approximately $885,000 for individuals and $1,775,000 for married couples. While such modifications could reduce federal tax revenue by an estimated $6B to $10B annually, these costs would almost certainly be offset by increased economic activity. Unlocking this stagnant housing stock would likely generate significant state and federal revenue through increased sales, remodeling projects, and furniture purchases

The scale of the issue is projected to grow; by 2030, an estimated 56% of all homeowners may exceed the $250,000 exclusion threshold. To address this, various policy solutions are being discussed, ranging from a one-time tax "holiday" to allowing sale proceeds to be deposited into tax-advantaged retirement accounts. Regardless of the specific mechanism, we feel strongly that any serious effort to improve housing affordability must address these tax-driven constraints on supply.

STATE-BY-STATE HOUSING PRESSURE AND SHARE OF HOMES ELIGIBLE FOR CAPITAL GAINS TAX* UPON SALE



**Homes with one buyer and equity >= $250,000 or two buyers and equity >= $500,000*

Source: AEI

Tariff Relief on Construction Materials

Exempting building materials from the current tariff regime would provide immediate relief to a housing market already strained by high input costs. Since January 2021, the cost of materials for residential construction has surged by over 30%. The National Association of Home Builders (NAHB) estimates that the proposed tariffs on Canada and Mexico—which provide nearly 25% of all building material imports—could add between $7,500 and $10,000 to the cost of a typical new single-family home. These added expenses act as a direct tax on consumers, often forcing builders to pass the costs on to buyers, which further pushes the dream of homeownership out of reach for many American families.

Furthermore, an exemption would protect the supply of essential materials like softwood lumber and gypsum, more than 70% of which are imported from Canada and Mexico, respectively. Without these exemptions, the total effective tariff rate on Canadian lumber could rise to nearly 40%, significantly discouraging new development. Some independent analyses suggest the cumulative impact of these tariffs across all residential construction could add as much as $27 billion in annual costs to the industry, potentially resulting in 450,000 fewer homes being built over the next five years.

Ultimately, aligning trade policy with housing goals is essential for fulfilling the administration's pledge to increase housing supply and affordability. Beyond new construction, affordable materials are critical for rebuilding efforts in areas hit by natural disasters. By exempting these goods, the government can avoid further supply chain disruptions and prevent an estimated $3 billion in additional annual costs for imported construction materials from being loaded onto the American public. This strategic move would support the domestic residential construction industry and help provide safe, attainable housing for all Americans.

THE SFR QUESTION: PRESIDENTIAL PRIORITY, LEGISLATIVE WILDCARD

No issue better illustrates the complexity of the current housing policy moment than the President's push to restrict large institutional investors from purchasing single-family homes. Signed on January 20, 2026, the executive order "Stopping Wall Street from Competing with Main Street Homebuyers" establishes as administration policy that large institutional investors should not buy single-family homes that could otherwise be purchased by families. The order is directionally populist and politically resonant, but its operational details remain unresolved and its implications for the housing finance ecosystem are more complex than the headline suggests.

The mechanics of the order matter. Rather than imposing an outright ban, the order directs key agencies to issue guidance preventing federal programs from approving, insuring, guaranteeing, securitizing, or facilitating sales of single-family homes to institutional investors,

and instructs Treasury to promote sales to individual owner-occupants through first-look policies and disclosure requirements. The order explicitly exempts build-to-rent properties that are planned, permitted, financed, and constructed as rental communities — a carve-out that provides meaningful clarity for the BTR sector but raises obvious questions about where the boundary sits for existing SFR operators. Critically, the Treasury Secretary was required to define "large institutional investor" within 30 days, and reporting suggests officials are considering thresholds potentially as low as ownership of a dozen or two dozen homes.

The White House made its legislative expectations plain. In its Statement of Administration Policy issued on February 9, the White House stated that the *Housing for the 21st Century Act* includes several of the president's reforms but still lacks a ban on the purchase of single-family homes by large institutional investors. That signal means that as any final legislative package is negotiated, the White House will be pushing to include SFR restriction language that neither the House bill nor the Senate's ROAD to Housing Act currently contains.

The political dynamics around this issue are unique. On the Democratic side, Sen. Elizabeth Warren (D-MA) and other members have drafted their own legislation that would go further than the White House proposal, including measures targeting tax breaks for institutional investors. Rep. Ro Khanna (D-CA) has reintroduced the Stop Wall Street Landlords Act, framing the moment as an opportunity to force the administration to follow through on its populist rhetoric. On the Republican side, the picture is equally complicated: even the White House's narrower proposal is a tough sell for many congressional Republicans, who would prefer to stay focused on the bipartisan housing supply legislation already moving through both chambers.

The empirical case for aggressive institutional investor restrictions is unsettled. A 2024 Government Accountability Office report found that while institutional investors may have contributed to increasing home prices and rents, the impact on homeownership opportunities was unclear. Housing economists have also warned that restricting institutional activity could reduce supply in the single-family rental market, likely making renting more expensive, and that with fewer buyers, construction activity could slow. For a policy designed to improve affordability, those are significant potential offsets.

From our seat, we understand the political appeal of this issue and share the administration's concern about market dynamics that disadvantage first-time homebuyers. But we would caution policymakers against allowing this debate to consume oxygen that the bipartisan supply legislation badly needs. The affordability crisis is fundamentally a production problem, and the evidence that institutional investor activity is a primary driver of that problem is thin. We are not categorically opposed to targeted restrictions, but we urge that any legislative language be precisely drawn, that the build-to-rent exemption be preserved and clarified, and that the definition of "large institutional investor" reflect the actual locus of market distortion rather than sweeping in the small and mid-sized operators who provide rental inventory to households that cannot yet qualify for a mortgage. The goal should be to redirect capital toward new production. Done thoughtfully, this can be a complement to the supply-side agenda.

PENNYMAC PERSPECTIVE: CONGRESS SHOULD ACT

The 390-9 House passage of the *Housing for the 21st Century Act* on February 9, 2026 — arguably the most significant bipartisan housing vote in over a decade — is not a finish line. It is a starting gun. With the Senate expected to take up the ROAD to Housing Act in the coming days, Washington is closer to delivering meaningful housing supply legislation than at any point in recent memory. The question is no longer whether Congress will act, but whether it will act wisely.

While a formal conference committee remains a procedural option, the more likely path forward is a negotiated bicameral reconciliation led by the chairmen and ranking members of the relevant committees in each chamber. That process, while less visible than a formal conference, is no less consequential. The provisions that survive those leadership conversations will define the final package, and it is precisely that negotiation where stakeholders should make their voices heard.

From our seat, the priorities for any final package are clear. Retain the manufactured housing modernization, as the removal of the permanent chassis requirement is the single provision most likely to generate near-term inventory gains at accessible price points. Adopt the House's streamlined VA loan disclosure framework rather than the Senate's operationally cumbersome approach. Resist the urge to hard-code the appraisal ROV process into TILA, and instead direct agencies to implement those standards through rulemaking where they can evolve with market realities. And find a way to include both the FHA small-dollar mortgage pilot and the CFPB regulatory relief, as the scale of the access gap justifies both.

Beyond the bills themselves, we continue to urge policymakers to pair any legislative package with action on capital gains reform and construction material costs. A legislative win on supply that leaves in place the tax-driven lock-in effect for millions of senior homeowners, or that ignores the cost headwinds facing builders, will underdeliver on its own ambitions. Housing affordability is a systems problem, and it requires a systems response.

Pennymac has long believed that the most durable solutions to the housing crisis are structural rather than cyclical: reforms that expand supply, reduce friction, and make the economics of homeownership work for more Americans over the long run. The bipartisan momentum building on Capitol Hill reflects that understanding. We will remain active advocates throughout this process, encouraged that the political will on Capitol Hill is finally approaching the scale of the problem across the country.

OVERVIEW OF SELECTED ITEMS IN THE HOUSE AND SENATE HOUSING BILLS

Issue	Housing for the 21st Century Act (H.R. 6644)	ROAD to Housing Act (S.3676)	Pennymac's Perspective
NEPA & BABA (Sec. 104 / 201)	Sec. 104: Expands categorical exclusions to streamline NEPA reviews for federally supported infill, rehabilitation, and small-scale construction. Authorizes HUD to designate certain housing assistance as "special projects" to simplify compliance. Sec. 201: Directs HUD to review BABA implementation and clarify its application to HOME-funded projects, without a broad statutory exemption.	Secs. 207-208: Mirror approach. Directs HUD to identify redundant reviews and expands categorical exclusions for infill and small-scale development, but stops short of the House's broader statutory carve-outs.	Hard NEPA categorical exclusions for infill are among the most impactful provisions in either bill. Reducing administrative soft costs by $10k+ per door (NAHB, 2024) is among the fastest ways to address the entry-level inventory gap. The House's broader statutory approach is preferable.
Manufactured Housing (Sec. 301)	Sec. 301: Eliminates the 1974 permanent steel chassis requirement for manufactured homes. Establishes HUD as the primary authority over construction and safety standards, decoupling "factory-built" from "mobile home."	Sec. 301 (Housing Supply Expansion Act): Mirror provision. Virtually identical language allowing reusable transport frames and HUD primacy over standards.	This is the single most consequential provision in either bill. Removing the chassis requirement enables real-property titling and standard 30-year GSE/FHA financing, finally normalizing factory-built collateral in the eyes of the secondary market and dramatically expanding the addressable buyer universe.
HUD / USDA Alignment (Sec. 105 / 403)	Sec. 105: Directs HUD and USDA to align and coordinate environmental review processes via a formal MOU. Exempts USDA infill housing assistance from duplicative environmental study requirements. Sec. 403: Further directs HUD, USDA, and VA to share information and identify collaboration opportunities across housing programs.	Sec. 802 (Streamlining Rural Housing Act) / Sec. 801: Mirror MOU mandate between HUD and USDA. Also includes HUD-USDA-VA interagency coordination provision.	Operational friction between these agencies has quietly stalled rural housing development for years. The MOU mandate is low-cost and high-impact. The additional HUD-USDA-VA coordination layer in both bills reflects a welcome "good government" efficiency that improves execution for developers and lenders alike.
Supply Frameworks & Pattern Books (Sec. 101 / 102)	Sec. 101: Directs HUD to publish best practice frameworks for state and local zoning and land-use reform. Sec. 102: Provides competitive grants to local governments to adopt pre-reviewed housing designs (pattern books) for mixed-income housing, ADUs, duplexes, and townhouses. Reserves 10% of funding for rural areas.	Sec. 203 (Housing Supply Frameworks Act) / Sec. 210 (Accelerating Home Building Act): Mirror provisions with nearly identical policy objectives and similar grant structures.	A rare area of near-identical bipartisan convergence. Pattern books and zoning frameworks are low-controversy, high-utility tools that reduce local design review timelines and lower per-unit development costs. Both provisions should be retained in any final package.

Sources: Library of Congress, NAHB, MBA, Pennymac

Issue	Housing for the 21st Century Act (H.R. 6644)	ROAD to Housing Act (S.3676)	Pennymac's Perspective
Multifamily Loan Limits (Sec. 106)	Sec. 106: Updates statutory maximum loan limits for FHA multifamily mortgages and reforms the index formula used to set them to better reflect current construction costs.	Sec. 213 (Housing Affordability Act): Similar provision updating FHA multifamily loan limits. The Senate version also incorporates broader affordability criteria into the limit-setting formula.	Outdated FHA multifamily loan limits have quietly constrained the pipeline of affordable rental development for years. Updating both the limits and the inflation index is a technical but meaningful fix that improves execution certainty for developers and lenders.
PWI Cap (Banking) (Sec. 303)	Sec. 303: Raises the Public Welfare Investment (PWI) cap for commercial banks from 15% to 20% of capital. Requires OCC and Federal Reserve to report biennially on bank PWI activity.	Sec. 205 (Community Investment and Prosperity Act): Mirror provision with identical cap increase and reporting requirement.	One of the cleaner convergences across both bills. Raising the PWI cap could allow banks to deploy significant additional capital into single-family subdivision equity and community development projects. The biennial reporting requirement adds appropriate accountability without creating undue compliance burden.`
Community Bank Operations (Sec. 601-612)	Title VI adds substantive community bank relief: clarifies custodial deposit treatment, raises the reciprocal deposit exclusion, simplifies exam cycles for institutions under $6B in assets, raises the longer-cycle exam threshold from $3B to $6B, allows credit union boards to meet 6x/year, and supports de novo bank formation.	Not included in the primary Senate framework.	The House's community bank title is a late but significant addition. Community depositories are a primary engine of local housing finance, and reducing their compliance friction directly supports origination capacity in underserved markets. We view the exam cycle and deposit classification provisions as particularly impactful.
Appraisal ROV (Senate Sec. 705)	Not included as a standalone provision.	Sec. 705 (Appraisal Modernization Act): Codifies a standardized Reconsideration of Value (ROV) process directly into TILA, giving borrowers a statutory right to appeal valuations at lender expense.	Codifying the ROV process into TILA creates material litigation risk and administrative drag that could slow closings and distort market valuations. TILA governs credit disclosures, not appraisal workflow. We urge lawmakers to direct agencies to implement ROV standards through rulemaking, where they can evolve alongside technology and market conditions.
VA Loan Disclosure (Sec. 402 / Senate Title VI)	Sec. 402: Adds a clear disclosure to the Uniform Residential Loan Application (URLA) informing applicants of potential VA Home Loan eligibility. Straightforward awareness mechanism with minimal compliance overlay.	Sec. 601 (VA Home Loan Awareness Act) / VALID Act (Sec. 602): Mirrors the URLA disclosure but couples it with mandatory pricing comparisons across FHA, Conventional, and VA products at the point of initial inquiry.	The House approach is the superior vehicle. Requiring pricing comparisons before a Certificate of Eligibility or disability status is available creates compliance risk for lenders and confusion for borrowers, without materially improving outcomes for veterans. Adopt the House language.

Issue	Housing for the 21st Century Act (H.R. 6644)	ROAD to Housing Act (S.3676)	Pennymac's Perspective
Small Dollar Mortgages (Sec. 302 / Senate Secs. 401-402)	Sec. 302: Authorizes HUD to establish an FHA pilot program with targeted incentives to motivate lenders to originate mortgages under $100,000. Requires reporting to Congress on program effectiveness.	Secs. 401-402: Directs the CFPB to review loan originator compensation rules and QM points and fees caps to remove structural disincentives for small-balance lending in the private market.	Both approaches target the same access gap and are complementary rather than competing. The FHA pilot tests new incentive structures while the CFPB relief removes existing friction from the private market. A final package should retain both.
ADU Construction (Sec. 102)	Sec. 102: Pattern book grant program explicitly includes ADUs as eligible housing types, streamlining design review and permitting for accessory dwelling units on federally assisted properties.	Sec. 210: Mirror grant program includes ADUs. Senate version also leverages CDBG framework to incentivize municipalities to adopt ADU-friendly zoning.	ADUs represent one of the most cost-efficient paths to infill density, particularly in land-constrained markets. The combination of federal design standardization and local zoning incentives across both bills is directionally correct and worth preserving.
Single-Stair Building Codes (Sec. 103)	Sec. 103: Directs HUD to establish guidelines for point-access block (single-stair) buildings up to five stories. Authorizes competitive grants for pilot projects testing their safety and feasibility.	Not addressed in the primary Senate framework.	Outdated dual-staircase requirements meaningfully constrain multifamily floor plate design and limit density per acre. The HUD guidelines and pilot grant structure strike the right balance between innovation and prudence, and should be retained.
Voucher & Inspection Reform (Sec. 205)	Sec. 205: Allows units financed through LIHTC, HOME, or USDA Rural Housing to automatically satisfy HCV requirements if they passed an inspection within the prior year. Allows landlords to request advance inspections.	Sec. 405 (Choice in Affordable Housing Act): Mirror provision with identical policy objectives and nearly identical language.	Another area of strong bipartisan convergence. Reducing inspection duplication directly expands the supply of units available to voucher holders and incentivizes greater landlord participation in the HCV program, both of which are supply-side wins.

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