

The American Housing and Economic Mobility Act of 2025

Senators Elizabeth Warren, Raphael Warnock & Congressman Emanuel Cleaver

We are in the middle of an affordable housing crisis. In almost every community in America – rural, suburban, urban – it's getting harder to rent a home or put together a down payment.

This crisis is happening, in part, because government housing policy has failed working families. Instead of supporting development, 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, leaves crumbling and unsafe housing stock in many [urban](#) and [rural](#) communities, and slows [economic growth](#).

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. Specifically, the bill:

- **Leverages federal funding to build nearly 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.**
 - Invests \$480 billion in the *Housing Trust Fund* to build, rehabilitate, and operate nearly 2 million homes for low-income families, including in rural areas and in Indian country where housing quality is especially poor.
 - Invests \$30 billion in the *Capital Magnet Fund*, which will be leveraged 10:1 with private capital, to build more than 750,000 new homes and develop vibrant communities for lower-income and middle-class families.
 - Invests \$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.
 - Invests over \$1 billion in rural housing programs to create rentals and help families buy homes.
 - Invests more than \$2.5 billion to build or rehabilitate homes for Native Americans and Native Hawaiians.
 - Invests \$70 billion in the *Public Housing Capital Fund* to help maintain critical affordable public housing units.
- **Provides assistance to people hurt by federal housing policy failures.**
 - **Down payment assistance to first-time, first-generation homebuyers.** As a step to address widening wealth and homeownership gaps, this bill provides down payment grants to first-time and first-generation homebuyers.
 - **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 and would be first-time, first-generation homebuyers.
 - **Grant program for communities with an appraisal gap.** To help communities in economic distress, the bill creates a grant program to support borrowers with negative equity in their primary residences and fund neighborhood revitalization activities.

- **Creates 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.
- **Limits the role of private equity in the housing market.** The bill changes 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.
- **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 by bolstering the CRA examination process, covering non-bank mortgage companies, promoting investment in activities that help poor and middle-class communities, and strengthening sanctions against institutions that fail to follow the rules. Additionally, the bill provides more flexibility to banks to engage in activities that further the public welfare.
- **Promotes mobility by strengthening anti-discrimination laws and improving the housing voucher program.** The bill expands rights under the *Fair Housing Act*, by prohibiting housing discrimination based on sexual orientation, gender identity, marital status, veteran status, and source of income, which is particularly important at a time when our nation's fair housing and fair lending enforcers are under attack. 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.