



SOLVING AMERICA'S HOUSING AFFORDABILITY CRISIS

A Comprehensive Framework for Expanding Homeownership Opportunities

White Paper
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Executive Summary

America faces an unprecedented housing affordability crisis that threatens the foundation of the American Dream. Rising home prices, escalating interest rates, restrictive lending requirements, and inadequate housing supply have created perfect-storm conditions that lock millions of families out of homeownership.

This white paper presents a comprehensive framework for addressing the affordability crisis by integrating recent federal legislative initiatives with NAMB's 2026 regulatory and legislative priorities. Together, these solutions offer a pathway to:

- Expand housing supply through regulatory modernization and increased construction incentives
- Reduce artificial barriers to homeownership for creditworthy borrowers
- Lower transaction costs through credit reporting reform and LLPA reduction
- Increase access to affordable financing for first-time and moderate-income buyers
- Strengthen the mortgage broker channel as an essential access point for underserved communities

Key legislative initiatives examined in this paper include the One Big Beautiful Bill Act (H.R. 1), which permanently expands Low-Income Housing Tax Credits and reduces bond financing thresholds; the Housing for the 21st Century Act (H.R. 6644), which modernizes federal housing programs and streamlines regulatory barriers; and the ROAD to Housing Act (S. 2651), which advances comprehensive housing supply and affordability reforms.

NAMB's advocacy priorities complement these legislative efforts by addressing specific market inefficiencies that directly impact mortgage affordability and access. By eliminating or reducing Loan-Level Price Adjustments on investment and second homes, reducing GSE refinance waiting periods, addressing rising credit report costs, and expanding income thresholds for HomeReady and Home Possible programs, we can create immediate relief for borrowers while supporting long-term market stability.

The Housing Affordability Crisis: A National Emergency

Housing affordability has emerged as one of the defining challenges of our generation. Across every region, demographic group, and income level, American families are struggling to achieve the stability and wealth-building opportunities that homeownership provides.

The Scope of the Problem

The housing crisis manifests through multiple interconnected challenges:

- **Supply Shortage:** The United States faces a deficit of millions of housing units, with demand far outpacing new construction
- **Price Escalation:** Home prices have increased dramatically faster than incomes, making homeownership increasingly unattainable
- **Affordability Barriers:** First-time buyers face unprecedented challenges saving for down payments and qualifying for mortgages
- **Rental Market Pressure:** Rising rents consume an increasing share of household income, making it harder to save for homeownership
- **Regulatory Complexity:** Overlapping federal, state, and local regulations create unnecessary costs and delays in housing development and mortgage lending

Impact on American Families

The consequences of this crisis extend far beyond housing markets:

- **Delayed Life Milestones:** Young Americans are postponing marriage, childbearing, and other major life decisions due to housing insecurity
- **Wealth Gap Expansion:** Homeownership remains the primary wealth-building tool for American families; lack of access perpetuates economic inequality
- **Geographic Immobility:** Housing costs force families to live far from employment centers, increasing commute times and reducing quality of life
- **Community Stability:** High housing turnover and cost burdens undermine neighborhood cohesion and community investment

The Need for Comprehensive Solutions

Addressing this crisis requires coordinated action across multiple fronts. No single policy intervention can solve the affordability challenge. Instead, we need an integrated approach that simultaneously increases housing supply, reduces regulatory barriers, expands access to financing, and lowers transaction costs. This white paper presents such a framework by examining how federal legislative initiatives and NAMB's advocacy priorities work together to create meaningful, lasting change.

The Essential Role of Mortgage Brokers

Mortgage brokers serve as a critical access point for millions of American homebuyers, particularly first-time buyers, self-employed borrowers, and those in underserved communities. The broker channel provides unique value that directly addresses affordability challenges and expands homeownership opportunities.

Market Access and Competition

Brokers create competitive market dynamics that benefit consumers:

- **Multiple Lender Access:** Brokers offer borrowers access to numerous lending institutions, ensuring competitive pricing and product diversity
- **Specialized Expertise:** Brokers possess detailed knowledge of various loan products and programs, helping borrowers identify optimal financing solutions
- **Price Competition:** The broker model creates transparent pricing competition that can reduce overall borrowing costs
- **Innovation Driver:** Brokers often introduce borrowers to innovative financing solutions and emerging loan programs

Serving Underserved Markets

The broker channel plays an outsized role in expanding homeownership access to populations traditionally underserved by conventional lending:

- **First-Time Homebuyers:** Brokers provide education, guidance, and access to first-time buyer programs that can make homeownership achievable
- **Self-Employed Borrowers:** Brokers understand the unique documentation requirements and lending solutions for self-employed individuals whose income may not fit traditional employment verification
- **Minority and Low-Income Communities:** Brokers often operate in communities where major banks have limited presence, providing essential financial services access
- **Complex Financial Situations:** Brokers excel at finding solutions for borrowers with non-traditional credit profiles, previous credit challenges, or unique property types
- **Rural and Small Markets:** Independent brokers maintain presence in smaller communities where large lenders may not have branch operations

Personalized Service and Advocacy

The broker relationship model provides advantages that institutional lenders cannot replicate:

- **Individual Attention:** Brokers work directly with borrowers throughout the entire process, providing personalized guidance and problem-solving
- **Borrower Advocacy:** Brokers serve as advocates for their clients, working to overcome obstacles and negotiate favorable terms
- **Long-Term Relationships:** Many brokers maintain ongoing relationships with clients, providing refinancing assistance and financial guidance beyond the initial purchase
- **Community Integration:** Local brokers understand regional market conditions, employment patterns, and community dynamics that inform lending decisions

Economic Impact

The mortgage broker industry contributes significantly to economic vitality:

- **Job Creation:** Brokerages provide employment opportunities in communities across the country, supporting thousands of small businesses
- **Market Efficiency:** Competition from brokers keeps lending markets efficient and pricing competitive
- **Economic Mobility:** By facilitating homeownership, brokers enable wealth creation and economic advancement for families

Regulatory Challenges

Despite their essential role, mortgage brokers face regulatory challenges that can limit their ability to serve consumers effectively. Outdated compensation rules, uneven regulatory treatment compared to retail lenders, and increasing compliance costs create barriers to serving borrowers. NAMB's legislative priorities address these challenges to ensure the broker channel can continue providing vital services to American homebuyers.

NAMB's 2026 Regulatory Initiatives

The National Association of Mortgage Brokers has identified four critical regulatory initiatives designed to enhance affordability, expand access to homeownership, improve market efficiency, and ensure fair practices across the mortgage industry. These targeted reforms address specific market failures that create unnecessary barriers for creditworthy borrowers and limit housing supply.

1. Eliminate or Reduce Loan-Level Price Adjustments (LLPAs)

The Problem

Loan-Level Price Adjustments add significant costs to mortgage transactions, particularly impacting investment properties, second homes, and borrowers with specific credit or financial profiles. These adjustments create affordability barriers and discourage productive investment in housing stock.

Consumer Impact

- LLPAs increase upfront costs and monthly payments for families wishing to access their hard-earned equity to rebalance their household budgets or who are looking to purchase their first home making homeownership less affordable
- Investment property LLPAs discourage rental housing development, reducing rental supply and driving up rental costs
- Second home LLPAs limit opportunities for families to purchase vacation properties or properties to care for aging relatives
- Higher costs disproportionately affect first-time buyers and moderate-income families

Proposed Solutions

- Eliminate LLPAs on investment properties and second homes to encourage housing supply development
- Reduce or eliminate LLPAs that disproportionately impact creditworthy borrowers
- Increase transparency in LPA structures and justification
- Allow greater pricing flexibility for lenders and brokers to serve diverse borrower needs

2. Reduce GSE Refinance Waiting Period from 12 to 6 Months

The Problem

The current 12-month waiting period before homeowners can refinance a GSE-backed loan limits their ability to take advantage of favorable rate changes, improved credit profiles, or changing financial circumstances. This arbitrary restriction keeps borrowers locked into higher rates and prevents them from optimizing their financial position.

Consumer Impact

- Homeowners miss opportunities to reduce monthly payments when interest rates drop within the first year of homeownership
- The 12-month rule prevents borrowers from refinancing to eliminate PMI once they reach 20% equity through home appreciation or additional payments

- Recent homebuyers who experience improved credit scores or income cannot access better terms until a full year passes
- Cash-out refinancing to consolidate high-interest debt or make home improvements is delayed unnecessarily

Proposed Solutions

- Reduce the GSE refinance waiting period from 12 months to 6 months for all refinance types
- Maintain appropriate underwriting and appraisal standards to ensure loan quality
- Create streamlined refinance options within the 6-month window for rate/term refinances
- Consider eliminating waiting periods entirely for borrowers with strong payment history

3. Address Rising Credit Report Costs and Regulate Rapid Rescore Pricing

The Problem

Credit reporting agencies have significantly increased the cost of credit reports in recent years, placing an unfair financial burden on borrowers and mortgage professionals. Additionally, the cost and availability of rapid rescore services—which can help borrowers qualify by quickly updating credit information—vary widely and lack transparency or regulatory oversight.

Consumer Impact

- Rising credit report fees increase the upfront costs of applying for a mortgage, creating barriers to homeownership
- Higher costs disproportionately impact first-time buyers and low-to-moderate income borrowers who are most price-sensitive
- Expensive or unavailable rapid rescore services prevent creditworthy borrowers from quickly correcting errors or updating positive account information

The Rapid Rescore Challenge

Rapid rescore is a valuable tool that allows borrowers to quickly update their credit reports with positive information that can improve their credit score and loan eligibility. However, pricing is inconsistent and often excessive (\$30-150 per tradeline), not all credit reporting agencies offer rapid rescore uniformly, turnaround times vary unpredictably, and consumers are often unaware this service exists.

Proposed Solutions

For Credit Report Costs:

- Implement regulatory oversight of credit reporting agency pricing for mortgage-related credit reports
- Require transparency in pricing structures and justification for cost increases
- Cap fees to ensure affordability, particularly for tri-merge reports used in mortgage underwriting

For Rapid Rescore Services:

- Establish standardized pricing for rapid rescore services across all credit bureaus
- Cap rapid rescore fees at reasonable levels (e.g., \$25-50 per tradeline maximum)

- Require all major credit bureaus to offer rapid rescore services on consistent timelines
- Mandate clear turnaround time standards (e.g., 3-5 business days maximum)
- Create regulatory framework under CFPB oversight to ensure fair practices

4. Increase AMI Threshold to 130% for HomeReady and Home Possible Loans

The Problem

The current 80% Area Median Income (AMI) threshold for HomeReady (Fannie Mae) and Home Possible (Freddie Mac) programs is too restrictive and excludes many moderate-income families who still face significant affordability challenges in today's housing market. Raising the threshold to 130% AMI would dramatically expand access to these valuable low-down-payment programs for working families who are priced out of homeownership.

Current Market Reality

In many markets, 80% AMI is simply too low to reflect the actual affordability challenges faced by moderate-income families. In expensive metropolitan areas, 80% AMI may be \$60,000-70,000 for a family of four, while even families earning \$90,000-120,000 (100-130% AMI) struggle to save for down payments while paying high rents. Home prices have increased faster than incomes, making the 80% threshold increasingly inadequate.

Consumer Impact

- The 80% AMI limit excludes many working families—teachers, nurses, firefighters, and other essential workers—who earn moderate incomes but still struggle with housing affordability
- In high-cost areas, even households earning above 80% AMI cannot afford conventional down payments and would benefit from 3% down payment options
- Raising the threshold would provide access to reduced mortgage insurance costs compared to standard conventional loans
- Middle-income families are increasingly squeezed out of homeownership despite having stable employment and good credit

Proposed Solution

Increase the AMI threshold for HomeReady and Home Possible programs from 80% to 130%. This change would:

- Align more closely with actual affordability challenges in today's housing market
- Expand access to low-down-payment options for working and middle-class families
- Help close racial and ethnic homeownership gaps, as many minority families fall in the 80-130% AMI range
- Support workforce housing by making homeownership accessible to essential workers
- Address the 'missing middle' of borrowers who earn too much for traditional low-income programs but struggle with affordability

NAMB's 2026 Legislative Priorities

The mortgage broker channel serves as a critical access point for millions of American homebuyers, particularly first-time buyers, self-employed borrowers, and those in underserved communities. NAMB's 2026 legislative priorities focus on removing unnecessary barriers, modernizing outdated regulations, ensuring market stability, and protecting the independent broker model that provides consumers with choice, competition, and personalized service.

1. Loan Originator Compensation Reform

Modernize Regulations to Reflect Current Market Realities

Current loan originator compensation rules, established over a decade ago, are outdated and create unnecessary barriers to competition, consumer choice, and fair lending. These regulations need modernization to better serve today's borrowers while maintaining consumer protections.

The Challenge

Overly restrictive compensation rules limit borrowers' access to diverse lending options and competitive pricing. When brokers cannot effectively compete with retail lenders on compensation structure flexibility, consumers lose the benefit of a truly competitive marketplace. Brokers face competitive disadvantages compared to retail lenders who operate under different compensation standards, creating an uneven playing field that drives independent originators out of the market.

Legislative Solutions

- Modernize compensation rules to create parity between brokers and retail lenders
- Eliminate arbitrary restrictions that don't meaningfully protect consumers
- Allow reasonable compensation adjustments that benefit borrowers
- Maintain strong disclosure requirements to ensure transparency

2. Flood Insurance and Natural Disaster Protection

Reauthorize and Reform the National Flood Insurance Program (NFIP)

The NFIP is essential for ensuring affordable flood insurance in high-risk areas, but chronic lapses in authorization and rising premiums create uncertainty for homeowners, lenders, and the housing market. Long-term reauthorization with meaningful reforms is critical for market stability and disaster preparedness.

Consumer Impact

- Homeowners in flood-prone areas face skyrocketing insurance premiums that make homeownership unaffordable
- NFIP lapses prevent borrowers from closing on homes, derailing transactions and harming families
- Natural disasters are increasing in frequency and severity, leaving more Americans vulnerable without adequate protection

Legislative Solutions

- Long-term NFIP reauthorization to provide market stability
- Provide subsidies and assistance for low-to-moderate income borrowers in high-risk areas
- Invest in flood mitigation infrastructure to reduce long-term risk and costs
- Modernize flood mapping to accurately reflect current risk
- Expand coverage options and private market participation while maintaining affordability

Major Federal Legislative Initiatives

Three major bipartisan legislative packages have emerged to address the housing affordability crisis through comprehensive, coordinated reforms. Together, these bills represent the most significant federal housing policy initiatives in over a decade.

The One Big Beautiful Bill Act (H.R. 1)

Overview and Enactment

The One Big Beautiful Bill Act represents sweeping legislation that includes historic investments in affordable housing development. Signed into law on July 4, 2025, this reconciliation bill permanently expands the Low-Income Housing Tax Credit (LIHTC) program and creates favorable conditions for affordable housing production.

Key Housing Provisions

Low-Income Housing Tax Credit Expansion:

- Permanently increases credit allocations by 12%, providing states with substantially more resources to finance affordable housing
- Lowers the Private Activity Bond (PAB) financing threshold from 50% to 25% permanently, allowing significantly more projects to qualify for 4% LIHTC
- Projected to finance the construction and preservation of 1.22 million additional affordable rental homes over 2026-2035

New Markets Tax Credit:

- Permanently extends the NMTC program with \$5 billion in annual allocation authority
- Provides crucial financing for commercial projects in low-income communities, including mixed-use developments with affordable housing components

Opportunity Zones Enhancement:

- Makes the Opportunity Zone program permanent with recurring 10-year designation periods
- Expands eligible areas to include all tribal lands and rural areas automatically
- Over three-fourths of qualified opportunity fund investment has included housing development

Homeownership Tax Benefits:

- Restores the mortgage insurance deduction, potentially saving buyers an average of \$2,300 per year
- Raises the SALT deduction cap from \$10,000 to \$40,000 through 2030, making homeownership more affordable for many families
- Increases overall purchasing power for potential homebuyers

100% Bonus Depreciation:

- Reinstates 100% bonus depreciation for qualified property acquired and placed in service between January 2025 and January 2030

- Allows businesses to immediately deduct the full cost of eligible assets, incentivizing investment in multifamily development

The Housing for the 21st Century Act (H.R. 6644)

Overview and Status

The Housing for the 21st Century Act represents a comprehensive, bipartisan effort to address housing affordability through modernization of federal programs, streamlining of regulatory barriers, and expansion of financing options. Introduced by Chairman French Hill (R-Ark.), Ranking Member Maxine Waters (D-Calif.), Rep. Mike Flood (R-Neb.), and Rep. Emanuel Cleaver (D-Mo.), this legislation passed the House Financial Services Committee on December 17, 2025, with overwhelming bipartisan support (50-1). The bill incorporates provisions from at least 48 previously introduced pieces of legislation, 31 of which have bipartisan sponsors.

Key Provisions for Affordability

Building Smarter for the 21st Century:

- **Housing Supply Frameworks:** Directs HUD to publish guidelines and best practices for state and local zoning and land-use policies to support housing production
- **Accelerating Home Building Grant Program:** Provides federal funding to support rapid housing construction
- **Point-Access Block Buildings:** Increases allowable height for single-stairway residential structures from five to six stories, enabling more housing units without compromising safety
- **Streamlined Environmental Reviews:** Modernizes and streamlines environmental review processes to accelerate housing development timelines
- **Multifamily Loan Limits:** Increases FHA multifamily loan limits to better reflect current construction costs and demand

Modernizing Development and Rural Housing Programs:

- **HOME Reform:** Expands and modernizes the HOME Investment Partnerships Program, the largest federal block grant for affordable housing
- **Community Development Fund Amendments:** Updates Community Development Block Grant programs to better serve housing needs
- **Rural Housing Service Improvements:** Enhances USDA rural housing programs to expand homeownership opportunities in underserved areas
- **Choice in Affordable Housing:** Streamlines inspection requirements for Housing Choice Voucher programs

Manufactured Housing and Alternative Construction:

- **Manufactured Housing Innovations:** Modernizes regulations and expands financing options for manufactured housing
- **FHA Small-Dollar Mortgages Study:** Examines barriers and opportunities for small-dollar mortgage lending

Protecting Borrowers and Assisted Families:

- **Exclusion of Certain Disability Benefits:** Protects disability income from adverse housing program impacts

- HUD-USDA-VA Interagency Coordination: Improves coordination among federal housing agencies to streamline services
- Housing Counseling and Financial Literacy Reforms: Enhances support services for homebuyers and homeowners
- Establishment of Eviction Helpline: Creates resources to help families facing housing insecurity

The ROAD to Housing Act (S. 2651)

Overview and Status

The Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025 represents the Senate's comprehensive approach to housing reform. Led by Chairman Tim Scott (R-S.C.) and Ranking Member Elizabeth Warren (D-Mass.), this bipartisan package passed the Senate Banking Committee unanimously (24-0) on July 29, 2025. The bill contains 40 provisions across eight titles, incorporating parts of at least 27 previously introduced pieces of legislation, 23 of which were introduced with bipartisan sponsors. While initially included in the National Defense Authorization Act, the ROAD Act was later removed during final negotiations, though advocates continue to push for its passage as standalone legislation.

Key Provisions for First-Time Homebuyers

Supply Expansion:

- Housing Supply Frameworks Act: Directs HUD to publish guidelines and best practices for state and local zoning and land-use policies
- Build More Housing Near Transit Act: Incentivizes development of housing near public transportation
- RESIDE Act (Revitalizing Empty Structures into Desirable Environments): Creates pilot grant program to convert vacant commercial or industrial buildings into affordable housing
- Housing Supply Expansion Act: Eliminates the permanent chassis requirement for manufactured homes, reducing production costs
- Modular Housing Production Act: Addresses financing barriers for modular construction methods

Financing and Affordability:

- Community Investment and Prosperity Act: Raises the cap on bank public welfare investments from 15% to 20%, enabling more financing for affordable housing and community development
- Housing Affordability Act: Directs HUD to evaluate and potentially revise FHA multifamily mortgage insurance program loan limits to better reflect construction costs
- Whole-Home Repairs Act: Establishes a five-year pilot program funded at \$30 million to provide home repair grants to low- and moderate-income homeowners

Opportunity and Access:

- Increasing Housing in Opportunity Zones: Allows HUD to prioritize Opportunity Zone communities in competitive grants for housing development
- Choice in Affordable Housing Act: Streamlines inspection requirements for Housing Choice Voucher programs, allowing inspections from LIHTC, HOME, or USDA programs to satisfy HCV requirements

- Rental Assistance Demonstration Program: Lifts the cap on RAD, allowing more public housing units to convert to long-term Section 8 contracts with improved financing options

Regulatory Streamlining:

- Streamlining Rural Housing Act: Directs HUD and USDA to conduct joint environmental reviews for housing projects receiving funding from both agencies
- Unlocking Housing Supply Through Streamlined and Modernized Reviews: Modernizes environmental review processes to reduce delays in housing development
- Reducing Homelessness Through Program Reform Act: Eases administrative burdens in HUD's housing and homelessness programs, streamlining inspection and income verification

Innovation and Pilot Programs:

- Innovation Fund: Creates funding for innovative housing solutions and pilot programs
- Build Now Act: Establishes grant programs to accelerate housing construction
- Accelerating Home Building Act: Provides federal support for rapid housing development initiatives

Integrated Solutions for First-Time Homebuyers

The housing affordability crisis cannot be solved through isolated interventions. Instead, meaningful progress requires coordinated action that simultaneously addresses supply constraints, financing barriers, regulatory inefficiencies, and transaction costs. By integrating federal legislative initiatives with NAMB's targeted advocacy priorities, we can create a comprehensive framework that delivers real results for first-time homebuyers and moderate-income families.

Increasing Housing Supply

The fundamental driver of housing affordability is supply. Multiple legislative provisions work together to dramatically increase housing production:

- The One Big Beautiful Bill's permanent 12% LIHTC allocation increase and 25% bond threshold reduction will finance 1.22 million additional affordable homes over the next decade
- Housing Supply Frameworks in both H.R. 6644 and the ROAD Act provide federal guidance on zoning reform, helping states and localities remove regulatory barriers to construction
- NAMB's LLPA elimination on investment properties removes artificial barriers to rental housing development, directly addressing supply shortages that drive up rents
- The ROAD Act's RESIDE program converts vacant commercial buildings into housing, utilizing existing structures to quickly expand supply
- Manufactured and modular housing reforms in both bills reduce construction costs and accelerate production timelines

Reducing Regulatory Barriers

Unnecessary regulatory complexity adds costs and delays to both housing development and mortgage transactions. Coordinated reforms address these inefficiencies:

- Streamlined environmental reviews in H.R. 6644 and the ROAD Act reduce permitting timelines without compromising environmental protection
- Joint HUD-USDA environmental reviews eliminate duplicative processes for rural housing projects
- NAMB's GSE refinance waiting period reduction enables borrowers to optimize their financing more quickly, reducing the lock-in effect that limits housing mobility
- Loan originator compensation reform creates parity between brokers and retail lenders, expanding consumer choice and market competition
- Choice in Affordable Housing provisions streamline inspection requirements, reducing delays in voucher utilization

Lowering Transaction Costs

Direct cost reductions make homeownership more attainable for families at the margin of affordability:

- The One Big Beautiful Bill's mortgage insurance deduction restoration saves buyers an average of \$2,300 annually
- SALT cap increase to \$40,000 significantly reduces tax burden for homeowners in higher-cost areas
- NAMB's credit reporting cost reforms and rapid rescore pricing standards directly reduce upfront transaction costs
- LLPA reduction or elimination on various loan types decreases both closing costs and ongoing monthly payments
- 100% bonus depreciation encourages private investment in multifamily housing, potentially moderating rent increases

Expanding Access to Affordable Financing

Making financing accessible to creditworthy borrowers who currently face barriers is essential to expanding homeownership:

- NAMB's proposal to increase AMI thresholds to 130% for HomeReady and Home Possible programs expands low-down-payment options to working and middle-class families
- The ROAD Act's 20% cap increase on bank public welfare investments channels more private capital into affordable housing financing
- Permanent NMTC extension provides ongoing financing for community development projects that include housing components
- FHA multifamily loan limit increases in both H.R. 6644 and the ROAD Act better align financing with actual construction costs
- Enhanced Opportunity Zone provisions direct investment capital to areas with greatest need for housing development

Supporting First-Time Buyers Specifically

First-time homebuyers face unique challenges that require targeted support:

- Lower down payment requirements through expanded HomeReady/Home Possible eligibility reduce the primary barrier to homeownership
- Housing counseling enhancements in H.R. 6644 provide education and support throughout the homebuying process
- Rapid rescore pricing standards help first-time buyers with improving credit profiles quickly qualify for better terms
- Mortgage broker channel provides personalized guidance and access to multiple financing options critical for first-time buyers
- Build More Housing Near Transit Act enables first-time buyers to reduce transportation costs by living near employment centers

The Broker Channel Advantage

These legislative solutions work most effectively when first-time buyers can access them through knowledgeable professionals. The mortgage broker channel provides unique value in helping borrowers navigate complex programs, compare financing options, and identify opportunities that might otherwise go unnoticed. NAMB's legislative priorities ensure brokers can continue serving this essential function by modernizing compensation rules, providing tax

fairness for loan originators, and maintaining a competitive marketplace that benefits consumers. When combined with expanded financing programs and reduced transaction costs, a strong broker channel becomes the delivery mechanism that turns legislative intent into real homeownership opportunities.

Conclusion and Path Forward

America's housing affordability crisis represents one of the most significant economic challenges of our time, but it is not insurmountable. The comprehensive framework presented in this white paper demonstrates that coordinated federal action, combined with targeted industry advocacy, can create meaningful progress toward expanding homeownership opportunities for all Americans.

Key Takeaways

- **Supply is Fundamental:** The One Big Beautiful Bill's permanent LIHTC expansion will create 1.22 million affordable units over the next decade, providing the foundation for long-term affordability improvement
- **Regulatory Reform Matters:** Streamlined environmental reviews, zoning guidance, and reduced bureaucratic barriers can accelerate housing development without compromising important protections
- **Transaction Costs Add Up:** Reducing LLPAs, credit report fees, and other closing costs creates immediate affordability gains for families at the margin
- **Access Requires Multiple Pathways:** Expanding HomeReady/Home Possible eligibility, supporting manufactured housing, and enabling modular construction creates diverse pathways to homeownership
- **Brokers Are Essential:** The mortgage broker channel provides critical access to underserved communities and first-time buyers who need personalized guidance and multiple financing options

Priority Actions

To maximize the impact of these legislative initiatives, NAMB calls on Congress and federal agencies to take the following actions:

Immediate Congressional Action:

- Pass the Housing for the 21st Century Act through both chambers to modernize federal housing programs
- Advance the ROAD to Housing Act as standalone legislation to implement comprehensive housing reforms
- Enact NAMB's legislative priorities addressing loan originator compensation and NFIP reauthorization

Regulatory Implementation:

- Direct FHFA to eliminate or substantially reduce LLPAs on investment properties and second homes
- Reduce GSE refinance waiting periods from 12 months to 6 months for all loan types
- Direct CFPB to establish regulatory oversight and pricing standards for credit report costs and rapid rescore services
- Increase AMI thresholds to 130% for HomeReady and Home Possible programs to serve working families

Implementation Support:

- Provide adequate funding and staffing for federal agencies to implement new programs effectively
- Establish clear timelines and accountability measures for regulatory reforms
- Create coordination mechanisms among HUD, USDA, VA, and other housing agencies to streamline service delivery
- Engage industry stakeholders, including the mortgage broker community, in implementation planning and oversight

The Stakes for First-Time Homebuyers

For the millions of American families currently priced out of homeownership, these reforms represent more than policy changes—they represent hope. A first-time homebuyer who can access HomeReady financing with the expanded 130% AMI threshold, benefit from reduced credit report costs and eliminated LLPAs, receive personalized guidance from a knowledgeable broker, and purchase in a market with increased supply from LIHTC expansion faces dramatically better odds of achieving homeownership than under current conditions.

The compounding effect of these reforms cannot be overstated. A \$2,300 annual savings from mortgage insurance deductibility, combined with \$500 in reduced credit report costs, \$1,000 in LLPA savings, and access to a 3% down payment program instead of 5% could mean the difference between perpetual renting and building home equity. Over time, these seemingly modest improvements create transformational opportunities for wealth building and economic security.

NAMB's Commitment

The National Association of Mortgage Brokers remains committed to advocating for policies that expand homeownership access, support the broker channel's essential role in the mortgage ecosystem, and ensure that creditworthy borrowers can achieve their homeownership goals. We will continue working with Congress, federal agencies, and industry partners to advance these priorities and hold policymakers accountable for implementation.

The mortgage broker community stands ready to serve as the primary access point for millions of first-time homebuyers who will benefit from these reforms. Our members possess the expertise, local market knowledge, and commitment to personalized service that will transform legislative intent into real homeownership opportunities. By supporting the broker channel through modernized compensation rules, tax fairness for MLOs, and elimination of artificial competitive disadvantages, policymakers enable us to fulfill this critical function effectively.

Final Call to Action

The housing affordability crisis demands urgent, coordinated action. The legislative framework exists. The industry expertise is available. The political will is building. What remains is execution.

We urge Congress to advance the Housing for the 21st Century Act and the ROAD to Housing Act without delay. We call on federal regulators to implement NAMB's regulatory priorities

expeditiously. We encourage the Administration to make housing affordability a central policy focus with measurable goals and accountability.

Most importantly, we remind policymakers that behind every statistic about housing affordability stands a family—teachers and nurses, firefighters and police officers, young couples and aging parents—who simply want to achieve the American Dream of homeownership. These families deserve access to the wealth-building opportunities and community stability that homeownership provides.

The solutions exist. The need is urgent. The time for action is now. Together, we can create a housing market that serves all Americans, not just the privileged few. The National Association of Mortgage Brokers stands ready to be part of the solution.

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