The 21st Century ROAD to Housing Act

A Roadmap to Implementation

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The Long Road to Passage

- Became law July 11, 2026, the biggest housing bill in three decades
- Core ideas developed over years: manufactured housing reform, zoning incentives, NEPA streamlining, improvements to HUD programs
- Senate passed the ROAD Act unanimously as part of the National Defense Authorization Act (Oct. 2025); House passed its own bill 390-9 (Feb. 2026)
- Chambers reconciled competing versions through spring, reaching a deal in May
- Final passage was overwhelmingly bipartisan: Senate 85-5, House 358-32 (June 2026)
- 50+ provisions; now it's about implementation

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What's in the Bill?

The bill takes a comprehensive approach to increasing housing supply and improving affordability:

- Cutting government red tape
- New tools and resources for communities
- Improving federal programs and financing
- Encouraging housing innovation
- Expanding homeownership access
- Supporting veterans

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Increasing Housing Supply

Local zoning and development. The law makes publicly owned vacant land easier to identify and gives communities new resources to address local barriers to housing construction. That includes voluntary federal guidance on zoning and land use, grants to help communities update zoning and permitting to build more affordable housing, support for pre-approved housing designs, and an Innovation Fund that provides flexible housing and infrastructure funding to communities that increase their housing supply.

Federal support for new housing. Communities can use a portion of CDBG funds to build affordable housing, while a new pilot supports converting vacant or abandoned commercial and industrial properties into homes. The law also increases FHA multifamily loan limits to better reflect construction costs and gives certain projects in Opportunity Zones additional consideration for HUD grants.

Streamlining federal reviews. The law streamlines environmental reviews for certain federally supported housing activities, which can reduce delays and costs for qualifying rehabilitation, infill, and other housing projects.

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Manufactured and Modular Housing

Manufactured housing. The law modernizes federal manufactured housing standards, including removing the longstanding permanent-chassis requirement, and updates FHA's Title I program to improve financing for manufactured homes and home improvements. It also supports preservation and improvements of existing manufactured home communities.

Modular housing. HUD must address barriers in FHA construction financing that can make modular homes difficult to finance. Better aligning financing with how modular homes are actually built could make this faster, lower-cost form of construction easier to use.

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Expanding Access to Homeownership

HOME. The law gives communities more flexibility in using HOME funds, including changes intended to make the program easier to use for homeownership. It also allows HOME funds to support infrastructure needed for housing development.

Small-dollar mortgages. Financing a lower-priced home can be surprisingly difficult because many mortgage origination costs are fixed regardless of loan size. The law allows FHA to test ways to make mortgages of $100,000 or less more available and requires the CFPB to examine federal compensation and fee rules that may discourage lenders from making smaller loans.

Appraisals. The law takes steps to expand the appraisal workforce and requires clearer procedures for consumers seeking a reconsideration of value or second appraisal.

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Rural Housing and VA Home Loan Program

Rural Housing. The law makes several practical changes to USDA housing programs. It streamlines reviews for certain infill projects, expands home repair assistance, and makes USDA loans easier to assume. It opens USDA financing to homes with a leased accessory dwelling unit, with the rental income counting toward qualifying, and to homes with space for a childcare business. It also directs HUD and USDA to reduce duplicative requirements for projects involving both agencies.

Veterans and VA Home Loans. New mortgage disclosures will help veterans and servicemembers identify when they may be eligible for a VA Home Loan and compare VA financing with other mortgage options. That can help eligible borrowers avoid overlooking benefits such as no down payment or mortgage insurance when choosing how to finance a home.

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Helping Homeowners and Renters

Housing counseling. Homeowners who become at least 30 days delinquent on certain federally backed mortgages must be offered housing counseling, giving struggling borrowers earlier help understanding their options and working with their servicer.

Home repairs. A new pilot can help eligible homeowners and small rental property owners make needed repairs, helping preserve existing housing and allowing more owners to remain in their homes.

Housing Choice Vouchers. Changes to inspection requirements can reduce delays for participating property owners and make it easier to bring additional rental homes into the voucher program.

Disaster recovery. The law puts HUD's disaster recovery program on a more consistent footing and creates a dedicated office to administer it, helping communities recover and rebuild more quickly after major disasters.

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Setting Expectations

- The vast majority of provisions are not self-executing; agencies must act through rulemaking, guidance, notices, and program design, before its benefits reach communities
- The law prescribes 100+ implementation actions across federal agencies, with HUD responsible for the most, making capacity and staffing key to staying on track
- Nearly half of all actions are due within the first year, making early action a priority
- All new grant programs need future appropriations to launch; the law itself is budget-neutral, and many programs carry sunset dates that make timely funding important
- Full implementation could take years, but early wins are within reach

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How Federal Agencies Will Implement the Law

What each provision requires (guidance, rulemaking, or new program rules) will largely set the timeline.

- Guidance & notices — Mortgagee letters, guidance documents, and Federal Register notices that implement existing authority without full rulemaking. Faster, and the route for many near-term actions.
- Rulemaking — Regulations issued through public notice-and-comment (proposed rule, comment period, final rule). The most durable path, but the slowest, often 18–24 months or more.
- Program design & NOFOs — New grant and pilot programs must be built, eligibility and selection criteria set, and a notice of funding availability issued before any dollars flow.

Bottom line: guidance-based changes can reach communities within the year, rulemaking takes longer, and because the law is budget-neutral, nothing new launches until Congress appropriates the funds.

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Where the Provisions Likely Fall (Our Read)

Applying that framework, here's how we'd expect agencies to triage. HUD, for its part, described implementation as underway across the provisions.

- Likely first are the low- or no-cost changes that may take effect by statute or simple guidance (e.g., CDBG new construction, FHA multifamily loan limit increase). HUD has also indicated it is prioritizing manufactured housing provisions and CDBG-DR, which require rulemaking but are expected to move early.
- Next come the changes requiring notice-and-comment rulemaking (e.g., HOME program rule changes, reforms to environmental reviews).
- Last are the new competitive programs, which can't launch until funded. HUD plans to issue Requests For Information (RFIs) ahead of funding to inform program design (e.g., Innovation Fund, Affordable Housing Planning and Implementation Grants, Whole Home Repair Program).

In short: low-hanging fruit first, rulemaking-dependent changes over the next year and beyond, new programs only as funding materializes.

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Upcoming Deadlines and Requirements to Be Aware of

Manufactured Housing Parity Certification — By July 11, 2027, most states must certify that their laws treat manufactured homes built with or without a permanent chassis the same, including for financing, title, insurance, sale, taxes, transportation, and installation. A state that misses the deadline must halt the manufacture, installation, or sale of the affected homes. Meeting the standard will take coordinated review across the state agencies that handle housing, vehicle titling, taxes, insurance, and finance.

Inventory of Publicly Owned Land — To receive CDBG funds, a grantee must now maintain a public, searchable database of all the undeveloped land it owns. In practice, the database will need to be in place when the grantee certifies for its next round of CDBG funding. Building and maintaining it is itself a CDBG-eligible activity.

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Things You Can Do

- Weigh in during rulemaking: Comment on proposed rules as agencies implement, where much of the detail gets decided
- Engage on guidance and program design too: A lot of the consequential calls happen through other processes, not just formal notice-and-comment
- Get involved in the housing frameworks task force: The Act directs HUD to convene a task force of state and local officials, planning boards, and home builders to develop voluntary model frameworks for local housing reform.
- Federal funding: Press federal lawmakers to fund the Act's new programs, since most exist only on paper until Congress provides money
- Agency capacity: Urge adequate staffing and capacity for HUD and USDA so agencies can meet their deadlines
- Start local now: Assess what your community needs to access new federal funding and flexibilities, which could include zoning, regulatory, or administrative changes

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NAR Resources

NAR is building out a set of implementation resources to help members and associations put the Act to work.

Available now: an overview of what the Act does and why it matters, and a guide to state and local implementation. Check out these resources at www.road.realtor. Additional resources are on the way.

Also check out the Housing Supply Accelerator Playbook, a resource for local housing supply solutions from the National League of Cities and the American Planning Association. NAR is a partner in the Housing Supply Accelerator, contributing members' market expertise to the effort.



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