

July 7, 2026

The Honorable Mike Johnson  
Speaker of the House  
U.S. House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Jason Smith  
Chairman, Committee on Ways and Means  
U.S. House of Representatives  
1011 Longworth House Office Building  
Washington, D.C. 20515

Dear Speaker Johnson and Chairman Smith:

Across the country, from rural communities to the largest cities, Americans face a critical shortage of affordable homes and obstacles to homeownership. While the *One Big Beautiful Bill Act* made a significant investment in growing the affordable, rental housing supply, and the *21<sup>st</sup> Century Road to Housing Act* clears regulatory barriers to developing homes, millions of would-be homeowners are still stuck on the sidelines because the American starter home has nearly disappeared.

If Congress advances a tax package focused on affordability, Congress and the Administration have an opportunity to boost investment into starter homes for America's families through inclusion of the *Neighborhood Homes Investment Act*.

**The *Neighborhood Homes Investment Act*, led by Rep. Mike Kelly (R-PA) and Sen. Todd Young (R-IN), is the most widely supported affordable homeownership supply bill in Congress.** This market-based solution is the missing piece to deliver price relief to Americans by lowering the cost of housing and increasing housing supply for owner-occupants.<sup>1</sup>

Under the proposed program, federal tax credits would help close the gap between the cost of constructing or rehabilitating a home and its market value. These credits would be allocated by formula to state housing finance agencies and then distributed through a competitive process to project sponsors—such as developers, local governments, or financial institutions. Project sponsors would have five years to complete homes, which must be sold at affordable prices, generally capped at four times the area's median family income.

The credit targets disinvested urban neighborhoods, rural areas, and communities hit by natural disasters or economic decline, while still providing states the flexibility to invest in neighborhoods with a shortage of starter homes. Low- and middle-income families earning up to 140% of area median income (AMI) can purchase homes built with the tax credits, while those earning up to 100% of AMI can access resources to rehabilitate their homes—bringing stability and opportunity to underserved areas across the country.

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<sup>1</sup> The White House, "[Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis](#)," January 20, 2025.

**Recognizing today’s fiscal environment, NHIA leaders Rep. Kelly and Sen. Young, have prepared a narrower, four-year version of the *Neighborhood Homes Investment Act* to deliver results in a more cost-contained framework, while preserving the program’s core structure and effectiveness. This modified version of the legislation is ready for the next tax vehicle.**

Enacting NHIA would deliver meaningful housing affordability relief for working families while advancing President Trump’s goal of increasing housing supply and ensuring more homes are available for individuals and families—not large institutional investors.

The undersigned organizations stand ready to work with Congress and the Administration to address the needs of aspiring and existing homeowners. Thank you for your consideration. We welcome the opportunity to discuss this proposal further.

Please contact Sarah Brundage, President and CEO of the National Association of Affordable Housing Lenders ([sbrundage@naahl.org](mailto:sbrundage@naahl.org)); Sarah Edelman, Executive Vice President for Policy and Programs at National Community Stabilization Trust ([sedelman@ncst.org](mailto:sedelman@ncst.org)); and Matt Josephs, Senior Vice President of Policy at LISC ([mjosephs@lisc.org](mailto:mjosephs@lisc.org)). Additional information and resources on the *Neighborhood Homes Investment Act* can be found at [www.neighborhoodhomesinvestmentact.org](http://www.neighborhoodhomesinvestmentact.org).

Sincerely,

AARP

America’s Homeowner Alliance

American Property Owners Alliance

American Wood Council

BPC Action

Catholic Charities USA

Center for Community Progress

Center for Responsible Lending

Cinnaire Lending

Coalition for Home Repair

Community Home Lenders of America

Community Opportunity Alliance

Community Preservation Corporation

Consumer Federation of America

Enterprise Community Partners

Grounded Solutions Network

Habitat for Humanity

Home by Hand

Homeownership Alliance

Housing Assistance Council  
Housing Partnership Network  
Independent Community Bankers of America  
Local Initiatives Support Corporation  
Low Income Investment Fund  
Mortgage Bankers Association  
National Association of Affordable Housing Lenders  
National Association of Hispanic Real Estate Professionals  
National Association of Home Builders  
National Association for Latino Community Asset Builders  
National Association of Local Housing Finance Agencies  
National Association of Realtors  
National Association of State and Local Equity Funds  
National Community Reinvestment Coalition  
National Community Stabilization Trust  
National Council of State Housing Agencies  
National Fair Housing Alliance  
National Housing Conference  
National League of Cities  
National Lumber & Building Material Dealers Association  
National NeighborWorks Association  
National Roofing Contractors Association  
Novogradac  
Prosperity Now  
Rebuilding Together  
Rocket Mortgage  
ROC USA  
Smart Growth America  
Travois  
Unidos US  
Up for Growth Action