

119TH CONGRESS
1ST SESSION

H. R. 4023

To direct the Secretary of Housing and Urban Development to establish a pilot program to award grants to States, territories, and Indian tribes to provide down payment assistance loans to certain borrowers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2025

Mr. CARBAJAL introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To direct the Secretary of Housing and Urban Development to establish a pilot program to award grants to States, territories, and Indian tribes to provide down payment assistance loans to certain borrowers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Dream for
5 All Act”.

1 **SEC. 2. APPRECIATION SHARING DOWN PAYMENT LOAN**
2 **PILOT PROGRAM.**

3 (a) IN GENERAL.—Not later than 1 year after the
4 date of the enactment of this section, the Secretary of
5 Housing and Urban Development (hereafter referred to as
6 the “Secretary”) shall establish a pilot program to award
7 capitalization grants to eligible entities.

8 (b) ELIGIBLE ENTITY.—To be eligible to receive a
9 grant under this section, an entity shall—

10 (1) be an agency of a State or Indian tribe, or
11 instrumentality thereof, including a State or Indian
12 tribe housing finance agency; and

13 (2) have or establish a revolving loan fund
14 (hereafter referred to a “State loan fund”) for the
15 purpose of providing down payment assistance loans.

16 (c) DETERMINATION OF AMOUNT.—The Secretary
17 shall award grants under this section in amounts that are
18 proportional to the population of the State or Indian tribe
19 in which the grant amounts are directed, as determined
20 by the Secretary.

21 (d) USE OF FUNDS.—

22 (1) IN GENERAL.—An eligible entity that is
23 awarded a grant under this section—

24 (A) shall deposit such grant amounts into
25 the State loan fund of such eligible entity;

1 (B) shall provide down payment assistance
2 loans with such grant amounts from the State
3 loan fund to eligible borrowers in an amount
4 that is—

5 (i) not more than 20 percent of the
6 purchase price of the home; and

7 (ii) not less than 3 percent of the pur-
8 chase price of the home;

9 (C) shall distribute such assistance loans
10 to eligible borrowers—

11 (i) on a first-come, first-serve basis; or

12 (ii) by lottery option;

13 (D) may not use more than 15 percent of
14 such grant amounts for administrative costs;
15 and

16 (E) may determine any additional require-
17 ments for eligible borrowers with respect to the
18 first mortgage of the home.

19 (2) DISTRIBUTION OF LOANS.—An eligible enti-
20 ty that distributes down payment assistance loans
21 with amounts provided under this section may—

22 (A) distribute such assistance loan to an
23 eligible borrower prior to the purchase of a
24 home; and

25 (B) provide the eligible borrower with—

1 (i) a certain time period to locate a
2 home and enter a purchase sale contract,
3 as determined by the eligible entity based
4 on market conditions; and

5 (ii) the option to renew the loan offer,
6 one time, as determined by the eligible en-
7 tity.

8 (e) TERMS AND LIMITATIONS.—

9 (1) REPAYMENT.—

10 (A) REPAYMENT FROM BORROWER.—An
11 eligible borrower that receives a down payment
12 assistance loan with amounts provided under
13 this section shall, upon the sale of the home
14 purchased with the assistance of such loan,
15 repay such assistance loan to the eligible entity
16 that distributed such assistance loan in an
17 amount that is equal to—

18 (i) with respect to a home that appre-
19 ciates in value—

20 (I) the amount of such loan; and

21 (II) the amount that is equal to
22 the percentage of such loan of the
23 purchase price of the home multiplied
24 by the amount of appreciation of the
25 home; or

1 (ii) with respect to a home that depre-
2 ciates in value, the amount of such loan.

3 (B) RETURN TO STATE LOAN FUND.—An
4 eligible entity that receives repayment under
5 subparagraph (A) shall return the amounts
6 from the repayment back into the State loan
7 fund, to be redistributed as a down payment as-
8 sistance loan as described in this section.

9 (2) MAXIMUM LOAN AMOUNT.—

10 (A) IN GENERAL.—The maximum loan
11 amount provided to an eligible borrower shall
12 be—

13 (i) \$150,000 in a high-cost State or
14 Indian tribe;

15 (ii) \$100,000 in a medium-cost State
16 or Indian tribe; and

17 (iii) \$50,000 in a low-cost State or In-
18 dian tribe.

19 (B) CLASSIFICATION.—Annually, the Sec-
20 retary, in consultation with the eligible entity in
21 each State or Indian tribe that is awarded a
22 grant under this section—

23 (i) shall determine the cost-category
24 described in subparagraph (A) of such
25 State or Indian tribe; and

1 (ii) shall increase or decrease the
2 maximum loan amounts described in sub-
3 paragraph (A) based on the consumer
4 price index.

5 (f) REPORTS.—

6 (1) REPORTS TO THE SECRETARY.—An eligible
7 entity that is awarded a grant under this section
8 shall submit to the Secretary a report, on an annual
9 basis or as determined appropriate by the Secretary,
10 that includes—

11 (A) the number of down payment assist-
12 ance loans distributed using such grant
13 amounts;

14 (B) the number of home sales processed
15 using down payment assistance loans;

16 (C) the amount of each down payment as-
17 sistance loan distributed; and

18 (D) any other data as determined appro-
19 priate by the Secretary.

20 (2) REPORT TO THE CONGRESS.—Not later
21 than 1 year after the pilot program has been estab-
22 lished, the Secretary shall submit to the Committee
23 on Financial Services of the House of Representa-
24 tives and the Committee on Banking, Housing, and

1 Urban Affairs of the Senate a report with respect to
2 the implementation of the pilot program.

3 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to the Secretary such sums
5 as may be necessary for each of fiscal years 2026 through
6 2030 to carry out this section.

7 (h) DEFINITIONS.—In this section:

8 (1) ELIGIBLE BORROWER.—The term “eligible
9 borrower” means an individual that—

10 (A) is a citizen or permanent resident of
11 the United States;

12 (B) is a first-time homebuyer or a first-
13 generation homebuyer;

14 (C) has completed a homebuyer education
15 course, as determined appropriate by the Sec-
16 retary, including individual counseling;

17 (D) has a certificate of completion from a
18 Housing Counseling Agency approved by the
19 Secretary;

20 (E) has an income that is not more than
21 150 percent of the area median income; and

22 (F) by self-attestation, does not have the
23 ability to pay more than 5 percent of the total
24 value of the home for which a loan under this
25 section is used.

1 (2) FIRST-TIME HOMEBUYER.—The term “first-
 2 time homebuyer” has the meaning given the term in
 3 section 104 of the Cranston-Gonzalez National Af-
 4 fordable Housing Act (42 U.S.C. 12704), except
 5 that for the purposes of this section the reference in
 6 such section 104 to title II shall be considered to
 7 refer to this section, and except that ownership of
 8 heir property shall not be treated as owning a home
 9 for purposes of determining whether a borrower
 10 qualifies as a first-time homebuyer.

11 (3) FIRST-GENERATION HOMEBUYER.—The
 12 term “first-generation homebuyer” means a home-
 13 buyer who is, as self-attested by the homebuyer—

14 (A) an individual—

15 (i) whose parents or legal guardians
 16 do not, or did not at the time of their
 17 death, to the best of the individual’s knowl-
 18 edge, have any present ownership interest
 19 in a residence in any State, excluding own-
 20 ership of heir property or ownership of
 21 chattel; and

22 (ii) whose spouse or domestic partner
 23 has not, during the 3-year period ending
 24 upon acquisition of the eligible home to be
 25 acquired using such assistance, had any

1 present ownership interest in a residence
2 in any State, excluding ownership of heir
3 property or ownership of chattel, whether
4 the individual is a co-borrower on the loan
5 or not; or

6 (B) an individual who has at any time
7 been placed in foster care or institutional care
8 whose spouse or domestic partner has not, dur-
9 ing the 3-year period ending upon acquisition of
10 the eligible home to be acquired using such as-
11 sistance, had any ownership interest in a resi-
12 dence in any State, excluding ownership of heir
13 property or ownership of chattel, whether such
14 individual is a co-borrower on the loan or not.

15 (4) INDIAN TRIBE.—The term “Indian tribe”
16 has the meaning given the term in section 248(i) of
17 the National Housing Act (12 U.S.C. 1715z–13(i)).

18 (5) STATE.—The term “State” has the mean-
19 ing given the term in section 201(d) of the National
20 Housing Act (12 U.S.C. 1707).

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