

119TH CONGRESS  
1ST SESSION

# H. R. 4572

To amend the Internal Revenue Code of 1986 to repeal the qualified contract exception to the extended low-income housing commitment rules for purposes of the low-income housing credit, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 21, 2025

Mr. NEGUSE introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the qualified contract exception to the extended low-income housing commitment rules for purposes of the low-income housing credit, 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 “Save Affordable Hous-  
5       ing Act of 2025”.

6       **SEC. 2. REPEAL OF QUALIFIED CONTRACT OPTION.**

7       (a) **TERMINATION OF OPTION FOR CERTAIN BUILD-**  
8       **INGS.—**

1           (1) IN GENERAL.—Subclause (II) of section  
2           42(h)(6)(E)(i) of the Internal Revenue Code of 1986  
3           is amended by inserting “in the case of a building  
4           described in clause (iii),” before “on the last day”.

5           (2) BUILDINGS DESCRIBED.—Subparagraph  
6           (E) of section 42(h)(6) of such Code is amended by  
7           adding at the end the following new clause:

8                   “(iii) BUILDINGS DESCRIBED.—A  
9                   building described in this clause is a build-  
10                  ing—

11                           “(I) which received its allocation  
12                           of housing credit dollar amount before  
13                           January 1, 2025, or

14                           “(II) in the case of a building  
15                           any portion of which is financed as  
16                           described in paragraph (4) and which  
17                           received before January 1, 2025,  
18                           under the rules of paragraphs (1) and  
19                           (2) of subsection (m), a determination  
20                           from the issuer of the tax-exempt  
21                           bonds or the housing credit agency  
22                           that the building would be eligible  
23                           under the qualified allocation plan to  
24                           receive an allocation of housing credit  
25                           dollar amount or that the credits to be

1           earned are necessary for financial fea-  
2           sibility of the project and its viability  
3           as a qualified low-income housing  
4           project throughout the credit period.”.

5           (b) RULES RELATING TO EXISTING PROJECTS.—  
6           Subparagraph (F) of section 42(h)(6) of the Internal Rev-  
7           enue Code of 1986 is amended by striking “the nonlow-  
8           income portion” and all that follows and inserting “the  
9           nonlow-income portion and the low-income portion of the  
10          building for fair market value (determined by the housing  
11          credit agency by taking into account the rent restrictions  
12          required for the low-income portion of the building to con-  
13          tinue to meet the standards of paragraphs (1) and (2) of  
14          subsection (g)). The Secretary shall prescribe such regula-  
15          tions as may be necessary or appropriate to carry out this  
16          paragraph.”.

17          (c) CONFORMING AMENDMENTS.—

18                 (1) Paragraph (6) of section 42(h) of the Inter-  
19                 nal Revenue Code of 1986 is amended by striking  
20                 subparagraph (G) and by redesignating subpara-  
21                 graphs (H), (I), (J), and (K) as subparagraphs (G),  
22                 (H), (I), and (J), respectively.

23                 (2) Subclause (II) of section 42(h)(6)(E)(i) of  
24                 such Code, as amended by subsection (a), is further

1 amended by striking “subparagraph (I)” and insert-  
2 ing “subparagraph (H)”.

3 (d) TECHNICAL AMENDMENT.—Subparagraph (I) of  
4 section 42(h)(6) of the Internal Revenue Code of 1986,  
5 as redesignated by subsection (c), is amended by striking  
6 “agreement” and inserting “commitment”.

7 (e) EFFECTIVE DATE.—

8 (1) IN GENERAL.—Except as provided in para-  
9 graph (2), the amendments made by this section  
10 shall take effect on the date of the enactment of this  
11 Act.

12 (2) RULES RELATING TO EXISTING  
13 PROJECTS.—The amendments made by subsection  
14 (b) shall apply to buildings with respect to which a  
15 written request described in section 42(h)(6)(H) of  
16 the Internal Revenue Code of 1986, as redesignated  
17 by subsection (c), is submitted after the date of the  
18 enactment of this Act.

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