

119TH CONGRESS
2^D SESSION

H. R. 7792

To amend title I of the National Housing Act to increase the loan limits and clarify that property improvement loans may be used for construction of accessory dwelling units.

IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 2026

Mr. HIMES (for himself, Mr. PAPPAS, Mr. HARDER of California, and Mr. LICCARDO) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend title I of the National Housing Act to increase the loan limits and clarify that property improvement loans may be used for construction of accessory dwelling units.

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 “Property Improvement
5 and Manufactured Housing Loan Modernization Act of
6 2026”.

1 **SEC. 2. NATIONAL HOUSING ACT AMENDMENTS.**

2 (a) IN GENERAL.—Section 2 of the National Housing
3 Act (12 U.S.C. 1703) is amended—

4 (1) in subsection (a), by inserting “construction
5 of additional or accessory dwelling units, as defined
6 by the Secretary,” after “improvements,”; and

7 (2) in subsection (b)—

8 (A) in paragraph (1)—

9 (i) by striking subparagraph (A) and
10 inserting the following new subparagraph:

11 “(A) \$75,000 if made for the purpose of financ-
12 ing alterations, repairs and improvements upon or in
13 connection with an existing single-family structure,
14 including a manufactured home;”;

15 (ii) in subparagraph (B)—

16 (I) by striking “\$60,000” and in-
17 serting “\$150,000”;

18 (II) by striking “\$12,000” and
19 inserting “\$37,500”; and

20 (III) by striking “an apartment
21 house or”;

22 (iii) by striking subparagraphs (C)
23 and (D) and inserting the following:

24 “(C)(i) \$106,405 if made for the purpose of fi-
25 nancing the purchase of a single-section manufac-
26 tured home; and

1 “(ii) \$195,322 if made for the purpose of fi-
2 nancing the purchase of a multi-section manufac-
3 tured home;

4 “(D)(i) \$149,782 if made for the purpose of fi-
5 nancing the purchase of a single-section manufac-
6 tured home and a suitably developed lot on which to
7 place the home; and

8 “(ii) \$238,699 if made for the purpose of fi-
9 nancing the purchase of a multi-section manufac-
10 tured home and a suitably developed lot on which to
11 place the home;”;

12 (iv) in subparagraph (E)—

13 (I) by striking “\$23,226” and in-
14 serting “\$43,377”; and

15 (II) by striking the period at the
16 end and inserting a semicolon;

17 (v) in subparagraph (F), by striking
18 “and” at the end;

19 (vi) in subparagraph (G), by striking
20 the period at the end and inserting “;
21 and”; and

22 (vii) by inserting after subparagraph
23 (G) the following:

1 “(H) such principal amount as the Secretary
2 may prescribe if made for the purpose of financing
3 the construction of an accessory dwelling unit.”; and

4 (viii) in the matter preceding para-
5 graph (2)—

6 (I) by striking “regulation” and
7 inserting “notice”;

8 (II) by striking “increase” and
9 inserting “set”;

10 (III) by striking “(ii), (C), (D),
11 and (E)” and inserting “through
12 (H)”;

13 (IV) by inserting “, or as nec-
14 essary to achieve the goals of the Fed-
15 eral Housing Administration, periodi-
16 cally reset the dollar amount limita-
17 tions in subparagraphs (A) through
18 (H) based on justification and meth-
19 odology set forth in advance by regu-
20 lation” before the period at the end;
21 and

22 (V) by adjusting the margins ap-
23 propriately;

24 (B) in paragraph (3), by striking “ex-
25 ceeds—” and all that follows through the period

1 at the end and inserting “exceeds such period
2 of time as determined by the Secretary, not to
3 exceed 30 years.”;

4 (C) by striking paragraph (9) and insert-
5 ing the following:

6 “(9) ANNUAL INDEXING OF CERTAIN DOLLAR
7 AMOUNT LIMITATIONS.—The Secretary shall develop or
8 choose 1 or more methods of indexing in order to annually
9 set the loan limits established in paragraph (1), based on
10 data the Secretary determines is appropriate for purposes
11 of this section.”; and

12 (D) in paragraph (11), by striking
13 “lease—” and all that follows through the pe-
14 riod at the end and inserting “unless such lease
15 meets the terms and conditions established by
16 the Secretary”.

17 (b) DEADLINE FOR DEVELOPMENT OR CHOICE OF
18 NEW INDEX; INTERIM INDEX.—

19 (1) DEADLINE FOR DEVELOPMENT OR CHOICE
20 OF NEW INDEX.—Not later than 1 year after the
21 date of enactment of this Act, the Secretary of
22 Housing and Urban Development shall develop or
23 choose 1 or more methods of indexing as required
24 under section 2(b)(9) of the National Housing Act

1 (12 U.S.C. 1703(b)(9)), as amended by subsection
2 (a) of this section.

3 (2) INTERIM INDEX.—During the period begin-
4 ning on the date of enactment of this Act and end-
5 ing on the date on which the Secretary of Housing
6 and Urban Development develops or chooses 1 or
7 more methods of indexing as required under section
8 2(b)(9) of the National Housing Act (12 U.S.C.
9 1703(b)(9)), as amended by subsection (a) of this
10 section, the method of indexing established by the
11 Secretary under that section before the date of en-
12 actment of this Act shall apply.

13 **SEC. 3. HUD STUDY OF OFF-SITE CONSTRUCTION.**

14 (a) DEFINITIONS.—In this section:

15 (1) OFF-SITE CONSTRUCTION HOUSING.—The
16 term “off-site construction housing” includes manu-
17 factured homes and modular homes.

18 (2) MANUFACTURED HOME.—The term “manu-
19 factured home” means any home constructed in ac-
20 cordance with the construction and safety standards
21 established under the National Manufactured Hous-
22 ing Construction and Safety Standards Act of 1974
23 (42 U.S.C. 5401 et seq.).

24 (3) MODULAR HOME.—The term “modular
25 home” means a home that is constructed in a fac-

1 tory in 1 or more modules, each of which meets ap-
2 plicable State and local building codes of the area in
3 which the home will be located, and that are trans-
4 ported to the home building site, installed on foun-
5 dations, and completed.

6 (b) STUDY.—The Secretary of Housing and Urban
7 Development shall conduct a study and submit to Con-
8 gress a report on the cost effectiveness of off-site construc-
9 tion housing, that includes—

10 (1) an analysis of the advantages and the im-
11 pact of centralization in a factory and transportation
12 to a construction site on cost, precision, and mate-
13 rials waste;

14 (2) the extent to which off-site construction
15 housing meets housing quality standards under the
16 National Standards for the Physical Inspection of
17 Real Estate, or other standards as the Secretary
18 may prescribe, compared to the extent for site-built
19 homes, for such standards;

20 (3) the expected replacement and maintenance
21 costs over the first 40 years of life of off-site con-
22 struction homes compared to those costs for site-
23 built homes; and

24 (4) opportunities for use beyond single-family
25 housing, such as applications in accessory dwelling

- 1 units, two- to four-unit housing, and large multi-
- 2 family housing.

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