

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 9472

To prohibit Community Development Block Grant funding and Federal mortgage support in municipalities that allow squatting.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2026

Mr. LAWLER introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To prohibit Community Development Block Grant funding and Federal mortgage support in municipalities that allow squatting.

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 “The Protecting Home-  
5 owners from Squatters Act”.

6 **SEC. 2. COMBATTING SQUATTING.**

7 (a) CONGRESSIONAL FINDINGS.—The Congress finds  
8 that—

1           (1) unlawfully entering a property without the  
2 permission of the property owner and residing in  
3 that property for consecutive days without the per-  
4 mission of the property owner and without the pay-  
5 ment of rent or a rental contract agreed to by the  
6 property owner can be defined as “squatting” and  
7 should not confer any special status as a tenant or  
8 lawful occupant of the property;

9           (2) local law enforcement should take actions to  
10 expeditiously remove from a property any persons or  
11 persons engaging in squatting and should prosecute  
12 such actions as prescribed by local law;

13           (3) Federal Government benefits, including  
14 loans, loan guarantees, subsidies, and tax credits,  
15 should not be used to reinforce, condone, or other-  
16 wise incentivize squatting; and

17           (4) real estate collateral securing a government  
18 or government-sponsored enterprise loan, or subject  
19 to a loan guarantee, mortgage insurance or other  
20 Federal mortgage support program must be pro-  
21 tected from persons engaging in squatting as it cre-  
22 ates undue risks for the value of such property.

23           (b) PROHIBITION ON CDBG FUNDING.—Section 104  
24 of the Housing and Community Development Act of 1974

1 (42 U.S.C. 5304) is amended by adding at the end the  
2 following:

3 “(n) WITHHOLDING OF FUNDS FOR JURISDICTIONS  
4 THAT PERMIT SQUATTING.—

5 “(1) PROHIBITION.—The Secretary shall, by  
6 regulation—

7 “(A) prohibit the allocation and provision  
8 of funds under this title for any unit of general  
9 local government that permits squatting or con-  
10 fers special status for rights of tenancy for a  
11 person or persons engaging in the practice of  
12 squatting; and

13 “(B) provide for—

14 “(i) units of general local government  
15 to take corrective actions to remedy the  
16 applicability of the prohibition under sub-  
17 paragraph (A) to such unit of general local  
18 government; and

19 “(ii) certification by the Secretary  
20 upon a determination that such actions  
21 taken by a unit of general local govern-  
22 ment are sufficient for the unit of general  
23 local government to receive funds under  
24 this title.

1           “(2) PUBLIC NOTICE.—The Secretary shall  
2           make publicly available for each fiscal year a list of  
3           all units of general local government that are prohib-  
4           ited by paragraph (1) from receiving funds under  
5           this title and the justification for inclusion in the list  
6           of each such unit of general local government.

7           “(3) SQUATTING.—For purposes of this sub-  
8           section, the term ‘squatting’ means the practice of  
9           entering a property without the permission of the  
10          property owner and residing in that property for 10  
11          or more consecutive days without the permission of  
12          the property owner and without the payment of rent  
13          or a rental contract agreed to by the property  
14          owner.”.

15          (c) PROHIBITION ON FEDERAL MORTGAGE SUP-  
16          PORT.—

17                 (1) PROHIBITION.—No Federal support may be  
18                 provided for any loan that is secured by a first or  
19                 subordinate lien on residential real property (includ-  
20                 ing individual units of condominiums and coopera-  
21                 tives) and designed principally for the occupancy of  
22                 from 1- to 4-families if the property securing such  
23                 loan is located in a unit of general local government  
24                 that is, at such time, prohibited from receiving funds  
25                 under title I of the Housing and Community Devel-

1       opment Act of 1974 by section 104(n)(1)(A) of such  
2       Act.

3               (2) REGULATIONS.—The heads of the covered  
4       agencies shall jointly develop, by regulations issued  
5       not later than 90 days after the date of the enact-  
6       ment of this Act, guidelines for such covered agen-  
7       cies to carry out this subsection.

8               (3) DEFINITIONS.—For purposes of this sub-  
9       section, the following definitions shall apply:

10               (A) COVERED AGENCY.—The term “cov-  
11       ered agency” means—

12                       (i) the Department of Housing and  
13                       Urban Development;

14                       (ii) the Federal Housing Finance  
15                       Agency;

16                       (iii) the Department of Veterans Af-  
17                       fairs; and

18                       (iv) the Department of Agriculture.

19               (B) FEDERAL SUPPORT.—The term “Fed-  
20       eral support” means, with respect to a loan—

21                       (i) insurance of the loan by the Fed-  
22                       eral Housing Administration under title II  
23                       of the National Housing Act (12 U.S.C.  
24                       1707 et seq.);

1 (ii) insurance of the loan under sec-  
2 tion 255 of the National Housing Act (12  
3 U.S.C. 1715z-20);

4 (iii) guarantee of the loan under sec-  
5 tion 184 or 184A of the Housing and  
6 Community Development Act of 1992 (12  
7 U.S.C. 1715z-13a, 1715z-13b);

8 (iv) guarantee or insurance of the  
9 loan by the Department of Veterans Af-  
10 fairs;

11 (v) guarantee or insurance of the loan  
12 by the Department of Agriculture;

13 (vi) making of the loan by the Depart-  
14 ment of Agriculture; or

15 (vii) purchase or securitization of the  
16 loan by the Federal Home Loan Mortgage  
17 Corporation or the Federal National Mort-  
18 gage Association.

19 (C) SQUATTING.—The term “squatting”  
20 means the practice of entering a property with-  
21 out the permission of the property owner and  
22 residing in that property for 14 or more con-  
23 secutive days without the permission of the  
24 property owner and without the payment of

1 rent or a rental contract agreed to by the prop-  
2 erty owner.

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