



2026 Sunset Review Handbook

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NAHB Policy Due to Expire June 2026

NAHB Resolutions/Recommendations Subject to NAHB's Sunset Review Process

The Resolutions Committee is implementing NAHB's "Sunset Review" process for policies adopted or reaffirmed in 2022.

The committees and councils with primary oversight of these policies have reviewed the policies contained in this handbook and submitted a list of resolutions that they recommend be extended for another four years or let expire with an explanation. Resolutions must be reaffirmed "as is" with no changes. To update or change a policy, the existing resolution should be sunset, and a new resolution submitted.

The list of resolutions/recommendations to be reaffirmed will be finalized by the Resolutions Committee and approved by the NAHB Leadership Council during the Spring Leadership Meeting in Washington, D.C.

TABLE OF CONTENTS

Construction and Codes.....	1
Energy and Green Building.....	4
Environment	9
General Government and Economic Policy	12
Home Environment.....	14
Housing Finance	15
Housing Programs.....	20
Insurance.....	22
Labor	24
Land Development.....	27
Tax.....	33

NAHB POLICY DUE TO EXPIRE

CONSTRUCTION, CODES & STANDARDS

2018.7 No. 7a Practice of Building Design

Resolved that the National Association of Home Builders (NAHB) support the ability of home builders and consumers to choose among a variety of design professionals, such as, but not limited to, architects, building designers, design-build firms, interior designers and remodelers, to design to the International Residential Code® single- and two-family dwellings and townhouses; and

Further resolved that NAHB, if requested, support and assist state and local home builders associations in their efforts to educate building officials on the variety of design professionals who have the ability to design single- and two-family dwellings and townhouses and find workable solutions regarding who may be allowed to design residential structures in their states/localities.

*(Construction, Codes & Standards Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The CC&S Committee recommends reaffirming this policy as the policy is still relevant to NAHB efforts to insure homeowners can hire experienced yet cost-effective professionals such as AIBD-certified building designers instead of needing to retain architects and engineers at a significantly higher cost. Code changes on the topic were debated during the 2024-2026 ICC code development cycle.

2006.9 No. 4 Low Cost Fire Sprinklers

Resolved that NAHB reaffirm its existing policy opposing mandating the National Fire Protection Association (NFPA) sprinkler systems in dwellings scoped in the 2006 International Residential Code (IRC), (one- and two-family dwellings and townhouses not more than three stories in height with their own means of egress) because it has not been demonstrated that residential sprinkler systems can meet, at a minimum, the following conditions:

1. Significantly reduce the initial installation cost of the system versus current NFPA sprinkler systems,
2. Enhance the safety of occupants without a significant reduction in housing affordability,
3. Reduce the substantial costs associated with connecting to public water systems or providing water storage/delivery systems for homes not connected to public water,
4. Address freezing concerns and provide low-cost solutions for homes in colder climates,
5. Provide simplified design, installation and inspection requirements that significantly reduce the associated costs,
6. Minimize the maintenance of the installed system required of home owners,

NAHB POLICY DUE TO EXPIRE

7. Relieve builders of legal liability for malfunctions or failures, and
8. Address insurance industry rate increases, policy exceptions or policy denials for sprinkler system malfunctions or failures.

*(Construction, Codes & Standards Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The CC&S Committee reaffirms this resolution as it is still relevant to the issue of residential sprinklers and provides direction to NAHB staff in opposing the inclusion of mandatory requirements in the scoping when states consider the adoption of the International Residential Code.

2002.9 No. 5 NFPA Model Building Code

Resolved that NAHB urge its members and affiliated home builder associations to oppose the adoption of NFPA 5000, and

Further resolved that NAHB support, to the extent possible, efforts by its members and affiliated home builder associations to oppose the adoption of NFPA 5000 in their state and local jurisdictions, and

Further resolved that NAHB urge NFPA to abandon code development and adoption efforts related to NFPA 5000 and to work with ICC to integrate the other NFPA codes and standards into the ICC family of codes with the goal of achieving a single coordinated set of national model building codes.

*(Construction, Codes & Standards Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. While there has been no progress on the part of the National Fire Protection Association in having the NFPA 5000 Building Code recognized or adopted in the United States, NFPA continues to move forward with its development. It is for this reason, that the CC&S committee recommends that this policy be reaffirmed and continues to urge NFPA to abandon its adoption efforts and work with ICC to work collaboratively on codes and standards.

2002.6 No. 4 Fire Life Safety Policy

Resolved that the NAHB support an affirmative program of fire safety for residential construction whose principal components are life safety improvements and cost-effectiveness,

Further resolved that NAHB continue to oppose mandatory residential sprinklers for multifamily low-rise and single-family residential construction and other fire protection techniques that do not enhance the safety of occupants and are not cost effective, and

NAHB POLICY DUE TO EXPIRE

Further resolved that NAHB pursue alliances with organizations that support fire safety, consumer safety education and housing affordability.

(Construction, Codes & Standards Committee)
(Expiration Date: 2026)

Recommendation: Reaffirm. The CC&S Committee recommends reaffirming this resolution as it is still relevant to the issue of residential sprinklers and provides the basis for assisting state and local HBA's opposing residential sprinkler mandates. This policy also supports NAHB efforts to push back against costly and unnecessary fire protection requirements targeted at photovoltaic systems, energy storage systems, wildland-urban interface risks, and similar issues.

NAHB POLICY DUE TO EXPIRE

ENERGY AND GREEN BUILDING

2022.2 No. 1 NAHB Support for Housing and Climate

Resolved that the National Association of Home Builders (NAHB) urge the federal and state governments to:

1. Quantify the cost implications of each element of any code changes needed to reach “Net Zero” and/or “Net Zero Ready” for all housing types;
2. Assess the aggregate impact of all Net Zero and/or Net Zero Ready code changes on housing affordability and housing production;
3. Implement cost-mitigative programs simultaneously with any Net Zero and/or Net Zero Ready code changes that will, at a minimum, off-set the aggregate increased costs of construction; and
4. Forego adoption of any Net Zero and/or Net Zero Ready code changes that are not accompanied by cost-mitigative programs that offset the increased costs to housing construction.

Further resolved that NAHB urge federal, state and local governments and policymakers as well as utility services, finance, insurance, appraisal and related real estate industries to aid in minimizing the cost impact of Net Zero requirements on all housing types by:

1. Directing that all Freddie Mac, Fannie Mae, and all other federally-backed and state-backed mortgages be underwritten to account for consumer energy utility savings resulting from Net Zero and Net Zero Ready increased code requirements, and include a corresponding increase in consumer “buying power” by fully accounting for such energy utility savings;
2. Establishing market driven initiatives to facilitate the transition to Net Zero and Net Zero Ready new and remodeled housing;
3. Creating grant and low interest loan programs, tax rebates, tax credits rebates or other funding mechanisms to offset any cost increases to assist new home buyers and existing homeowners in securing affordable housing or transitioning existing homes to meet higher energy standards; and
4. Creating grants, tax rebates, and other incentives to help home builders, remodelers and developers offset cost increases and encourage the construction of Net Zero and/or Net Zero Ready homes.

*(Construction, Codes & Standards Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. First approved in 2022, this policy is still relevant to NAHB’s advocacy for quantifiable, evidence-based justifications for any new or updated performance requirements for housing that increase construction costs (Net Zero or otherwise) be provided to demonstrate the requirements are practical and cost-effective. The policy also conforms with NAHB’s support for voluntary, market-driven programs and incentives to encourage increased performance in housing. The CC&S Committee recommends the policy be reaffirmed.

NAHB POLICY DUE TO EXPIRE

2018.7 No. 4 Energy Policy Statement

Resolved that the National Association of Home Builders (NAHB), as a long-standing proponent of energy efficiency, maintain its commitment to research, development and implementation of cost-effective energy-saving products, building techniques, and financing practices for new and existing buildings.

Further resolved that NAHB:

1. Energy efficiency

Recognizes that energy efficiency is in the best interest of the nation's economy, environment, security and energy independence in the long-term, and that the nation must look beyond short-term fluctuations in the cost and availability of energy in establishing energy policies and programs, and that energy-efficient design and construction of new homes, apartments, commercial and institutional buildings are also fundamental concerns of consumers and investors;

2. Energy resources

Supports the environmentally sound exploration and development of all cost-effective domestic energy resources;

3. Research and development

Supports public and private research efforts to develop non-polluting renewable alternative energy technologies and practices to reduce the nation's dependence on fossil fuels;

4. Innovation

Advocates innovation in both the public and the private sectors as an effective means to provide for the nation's energy needs, and will continue to work with government at all levels and with private industry to remove regulatory and institutional barriers to such innovation;

5. Affordability

Encourages the use of energy-efficient building products and techniques that reduce energy use and increase housing affordability; and advocates energy-efficient building practices that enhance the home's value and repay initial costs through savings in net operating costs over a reasonable period of time;

6. Energy-efficient lending practices

Supports mortgage lending policies that recognize the value of energy efficiency and that do not negatively impact the financing of new or existing homes; NAHB supports affordable financing options for energy efficient upgrades including a liberalized debt-to-income ratios and provides down payment assistance or a lower monthly mortgage payments for home buyers;



NAHB POLICY DUE TO EXPIRE

7. Home appraisals

Supports appraisal practices that accurately reflect the value of investment in energy efficiency. Encourages the use of the Appraisal Institute's Residential Green and Energy Efficient Appraisal Addendum or equivalent document from an industry-accepted organization. Also, urges the housing Government-Sponsored Enterprises (GSEs) and HUD to revise the Uniform Appraisal Dataset to include information about a home's green and energy-efficient features;

8. Education and information dissemination

Supports educational efforts that explain to builders, lenders, appraisers, and consumers the concepts of cost-effective energy efficiency and the increased cost of code compliance from recent code changes; and commits to provide information to the building community concerning the performance, reliability, cost-effectiveness and safety of energy-efficient systems, methods, construction techniques, and products;

9. Voluntary energy programs

Supports efforts of industry groups and government agencies, at the national, regional and states levels that promote voluntary programs to encourage energy-efficient construction practices and demonstrate added energy efficiency and provide options to upgrade existing homes and accessory structures;

10. Utility programs

Supports utility-sponsored incentive programs that encourage builders to use design practices, high-efficiency heating and cooling equipment, construction techniques, and products and materials that are energy conserving, reducing the need for additional generating capacity;

11. Retro-fitting for energy efficiency

Supports retrofit and energy audit programs that repay initial costs through savings in operating costs, over a reasonable period of time; and urges all levels of government to recognize that programs to promote weatherization of existing housing are more effective than programs that subsidize high utility payments;

12. Energy in Existing Homes

Urges Congress, state legislatures and local governments to work with public and private entities to develop and implement incentives that assist home owners of existing properties in reducing energy consumption to the extent that it is cost effective. Supports and encourages the development of technologies, products, and methodologies that can assist in reducing energy usage in existing homes as long as they are affordable and cost-effective. Supports streamlined approval processes to limit delays for these programs.

NAHB POLICY DUE TO EXPIRE

13. Federal legislation

Opposes all federal legislation that would establish a mandatory national energy code for new non-federally-owned residential construction, and opposes all federal legislation that would require, or induce, the states to adopt an energy code that has not been demonstrated to be cost-effective and that would adversely affect affordability.

14. Performance Standards

Supports the inclusion of cost-effective performance-based provisions within all model energy codes and standards. Any proposed changes that will reduce limitations and increase energy code compliance will be considered by NAHB.

15. Log Homes

Supports the equitable treatment for log homes in energy codes.

*(Construction, Codes & Standards Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The CC&S Committee recommends reaffirming this policy as it is still relevant to NAHB's advocacy for practical, cost-effective energy efficiency requirements in the face of sustained pressure from advocates of net zero energy, net zero carbon construction. Among many other topics this policy supports energy code-related legislation NAHB is pursuing on the Hill and our opposition to the HUD/USDA rule adopting the 2021 IECC for certain Federal mortgage programs.

2010.9 No. 21 Support of Decorative Gas Appliances

Resolved that the National Association of Home Builders urge the Department of Energy (DOE) to not impose proscriptive content standards for decorative gas hearth appliance products that could have unknown consequences on the safety and reliability, and would limit consumer choices and reduce the availability of gas hearth appliances;

Further resolved that NAHB urge DOE to incorporate the CSA definitions Z21.50 and Z21.88 into its Final Rule at 10 CFR Part 430, and to remove decorative gas hearth appliances and gas log set products from any regulation in the Final Rule;

Further resolved that NAHB supports and encourages objective and scientifically tested performance-based standards for the manufacture of decorative gas hearth appliance products.

Further resolved that NAHB supports and encourages the efforts of industry in its opposition to the DOE Final Rule that classifies decorative gas hearth products and gas log sets as direct heating

NAHB POLICY DUE TO EXPIRE

equipment and subjects them to unattainable thresholds, and which will effectively prohibit the manufacture, sale and use of decorative gas hearth appliances and gas log set products in homes.

*(Construction, Codes & Standards Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The CC&S Committee recommends reaffirming this resolution as relevant to supporting consumer choice for decorative gas appliances. In future administrations, the U.S. Dept of Energy may continue attempts to regulate and prohibit the use or manufacturing of decorative gas hearth products and gas logs.

NAHB POLICY DUE TO EXPIRE

ENVIRONMENT

2014.6 No. 3 Clean Air Act Issues

Resolved that the National Association of Home Builders urge the Environmental Protection Agency (EPA) to:

1. Withdraw its policy allowing state and local governments to adopt land use controls, including regulating indirect sources of emissions, in exchange for air quality credits unless there are verifiable emissions reductions;
2. Continue to implement the voluntary diesel retrofit program and provide additional incentive-based options (including financial incentives) for diesel retrofitting;
3. Cease to allow states to adopt mandatory energy efficiency requirements in exchange for air quality credits;
4. Set National Ambient Air Quality Standards for ground-level ozone and particulate matter at levels that do not exceed the statutory limit of “requisite to protect the public health” with an “adequate margin of safety” as interpreted by the U.S. Supreme Court to mean “sufficient, but not more than necessary.”

*(Environmental Issues Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. EIC recommends reaffirming this policy since the U.S. Environmental Protection Agency (EPA) Administrator has identified reforming the Clean Air Act (CAA) as a priority under EPA’s “Powering the Great American Comeback” initiative to advance domestic energy production priorities of the Trump Administration. Reaffirming this policy allows NAHB to engage in and advocate for meaningful and balanced policies supporting clean air while avoiding potential impacts on energy choice and local land use decisions impacting the residential construction industry.

2010.4 No. 7 Endangered Species

Resolved that the National Association of Home Builders (NAHB) support sufficient appropriations from Congress to achieve the Endangered Species Act’s objectives, to purchase land for habitat conservation and species recovery,

Further resolved that NAHB seek such other relief as will allow the Endangered Species Act to advance the goal of preserving species without adverse effects on local, state or national economies, and

Further resolved that the NAHB urge Congress and U.S. Fish and Wildlife Service and NOAA Fisheries

NAHB POLICY DUE TO EXPIRE

(the Services) to amend the Endangered Species Act (ESA) and/or implement regulations to:

1. Reform the listing process to ensure that all ESA decisions – such as listing, delisting, designation of critical habitat and recovery planning – are supported by sound science, including the use of field-tested empirical and peer-reviewed data conducted by an outside blind review panel; and disqualify from serving on the panel any person who may have a financial interest in advocating the listing of a species. Require that the delisting process be subject to scientific standards as required in the listing process,
2. Authorize flexible time schedules for listing decisions in order to adequately assemble and review necessary scientific data,
3. Amend the definitional section to give a biological definition of “species,” “subspecies” and “population segments” and refine the standard of “adverse modification of critical habitat” to distinguish it from the standard of “jeopardy to the continued existence of species” in a manner that is consistent with recent court opinions.
4. Provide limited protection for “subspecies” and “distinct populations” only when necessary for the survival of the “species,”
5. Require a critical habitat designation and recovery plan to be determined at the time of the listing and condition the act’s restrictions upon these determinations,
6. Balance the needs of property owners and a growing population with the need to protect endangered species, including enhanced opportunities for property owners and the public to participate in the process,
7. Ensure that the burden of proving a species’ existence on private property is placed on the federal government, and public participation and comment are provided on any survey protocols produced by the Services,
8. Maintain local land use control by removing the threat of ESA liability for states or municipalities issuing permits, approvals or funding for actions that may result in the “take” of an endangered species,
9. Provide adequate federal funding for species protection measures, such as habitat conservation and recovery plans, commensurate with the goals of the Act,
10. Expand the Sec. 10(a) permit program to provide for the issuance of general permits pursuant to

NAHB POLICY DUE TO EXPIRE

approved area-wide habitat conservation plans that would vest development rights in land not located in the designated conservation area,

11. Create explicit authorization for local, state and federal governments to enter into agreements to implement area-wide plans and assign specific responsibility for the long-range maintenance and protection of protected habitats,

12. Authorize, but not require, the use of multi-species plans, and

13. Ensure that the designation of critical habitat:

a. Is as precise as possible using a map-based approach that incorporates sufficient points of reference to locate critical habitat boundaries;

b. Is limited to areas currently occupied by the species;

c. Excludes areas where the costs of designation outweigh the benefits, based on an assessment of the full direct, indirect and cumulative economic and social effects on the areas affected and the nation, not just the incremental effects of the critical habitat designation; and,

d. Excludes areas where adequate protection is already in place, including areas that are already within or will be within a formal habitat conservation plan (HCP) or state law equivalent.

*(Environmental Issues Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. EIC recommends reaffirming this policy as the Trump Administration has proposed ESA regulatory reforms to the species listing process, expanded use of Section 4(d) special rules authorizing the “take” of “threatened species”, and reforms to the designation critical habitat, and proposing to rescind a controversial regulatory change by the prior administration that allows federal regulators to impose compensatory mitigation requirements upon landowners for unavoidable impacts to species or habitat during the ESA’s Section 7 consultation process. This policy remains relevant because it establishes NAHB’s position on ESA regulations including the species listing process, designation of critical habitat, and key ESA regulatory definitions e.g., “take,” “jeopardy,” and “destruction or adverse modification,” of designated critical habitat. Retaining this ESA policy will allow NAHB to remain engaged with the U.S. Fish and Wildlife Service and National Marine Fisheries Service as they continue their review and repeal of prior ESA regulatory reforms as well as propose new ESA regulatory initiatives impacting NAHB members.

NAHB POLICY DUE TO EXPIRE

GENERAL GOVERNMENT & ECONOMIC POLICY

2022.6 No. 1 Rent Control

Resolved that the National Association of Home Builders (NAHB) unequivocally oppose rent control in any form at any level of government.

Further resolved that NAHB actively oppose residential rent control at the national level, in state legislatures, in voter ballot initiatives, and in local communities where it may be introduced, and seek to educate policy makers and all other people of our nation regarding the very harmful effects and negative unintended consequences of rent control.

*(Multifamily Council Board of Trustees)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Studies show that rent control negatively impacts housing availability. Yet, local and state policymakers continue to pursue these failed policies that shrink housing supply amid a national shortage.

2006.9 No. 7 Industry Access to Building Materials

Resolved that NAHB will work with the U. S. government, the governments of other countries and industry to promote additional opportunities for NAHB members to obtain access to high-quality, stable and affordable supplies of lumber and other key building materials.

Further resolved that NAHB will investigate ways in which it can be of assistance in encouraging competition in the U.S. marketplace among building material suppliers and building material industries.

Further resolved that NAHB urge Congress and the Administration to eliminate all artificial economic trade barriers that discourage the use of imported or alternative building materials in the U.S. marketplace.

Further resolved that NAHB will investigate ways in which it can help its members obtain information on, and access to, alternative building materials and new technologies that will provide consumers with more affordable housing through a wider variety of choices in building materials.

*(Construction Liability, Risk Management, and Building Materials Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Domestic capacity for building materials, particularly lumber, remains below demand. Moreover, trade policies have been increasingly volatile. This policy

NAHB POLICY DUE TO EXPIRE

will allow NAHB to continue to engage with Congress and the Administration to promote policies to improve domestic manufacturing and reduce artificial trade barriers.

1998.9 No. 1 Reduce the National Debt

Resolved that NAHB encourage Congress to reduce the national debt.

*(Federal Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. This resolution should be extended as many NAHB members believe strongly in reducing the National Debt.

1994.1 No. 26 Risk Assessment and Cost/Benefit Analyses

Resolved that NAHB support Congressional efforts to require the Environmental Protection Agency (EPA), and any other appropriate government agencies, to include comparative risk assessments and cost/benefit analyses for all regulations relating to public health and safety, energy and/or the environment.

*(Federal Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. NAHB continues to be actively engaged in regulatory reform efforts that call on federal agencies, including the EPA, to be required to perform comparative risk assessments and cost/benefit analyses for all proposed regulations.

NAHB POLICY DUE TO EXPIRE

HOME ENVIRONMENT

2002.6 No. 2 Mold

Resolved that the National Association of Home Builders (NAHB):

- 1) Support efforts to provide members, the public and the media with comprehensive and accurate information about mold.
- 2) Support research on the potential health effects of mold exposure in indoor environments that will lead to scientifically sound and reliable data.
- 3) Support additional research into construction practices, building materials, building design and occupant practices to identify factors associated with mold growth in indoor environments.
- 4) Oppose legislative and/or regulatory action concerning mold that is not based upon scientifically sound and reliable data, that does not include regional flexibility and that imposes requirements that are not cost-effective, technically achievable and attainable.
- 5) Oppose legislation and/or regulations requiring overly broad mold-related disclosure requirements in the sale of homes and/or the lease of rental units that might confuse consumers or expose sellers and lessors to unpredictable and unreasonable liability.
- 6) Oppose unreasonable denial of mold coverage by insurance companies.
- 7) Support laws, regulations and policies that will ensure that adequate insurance coverage for mold claims is available to builders, contractors, remodelers, multifamily owners and managers, and consumers at an affordable cost.

*(Construction Liability, Risk Management, and Building Materials Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Mold remains a concern for homeowners and many local jurisdictions continue to recommend onerous mold disclosures.

NAHB POLICY DUE TO EXPIRE

HOUSING FINANCE

2018.7 No. 1 Administrative Reforms to the Housing Finance System

NAHB reaffirms its support for comprehensive housing finance system reform through legislative action and support for an explicit federal government backstop;

NAHB reaffirms support for the existing annual adjustments to the loan limits for Fannie Mae, Freddie Mac and FHA single family mortgage programs;

NAHB urges the Federal Housing Finance Agency (FHFA), the Department of Housing and Urban Development (HUD) and/or the U.S. Department of the Treasury (Treasury) to go through Notice and Comment rulemaking procedure when considering administrative and/or regulatory changes;

NAHB opposes actions that would disrupt liquidity in either the single family or multifamily housing markets, decreasing access to credit for single family homes and multifamily units;

NAHB opposes increases to mortgage fees charged by Fannie Mae and Freddie Mac and HUD that will have an adverse impact on homebuyers and prevent creditworthy homebuyers from obtaining mortgage credit;

NAHB opposes increases to guarantee fees charged by Fannie Mae and Freddie Mac when the fees are used for purposes other than to cover expected credit losses, the required return on capital, and other administrative costs of the Enterprises;

NAHB opposes activities and reforms that will disrupt the countercyclical role of the federal government and GSE housing programs in providing access to mortgage credit;

NAHB supports the FHA full guarantee and oppose any efforts to reduce FHA insurance to a partial guarantee;

NAHB supports the affordable housing mission of Fannie Mae and Freddie Mac while in conservatorship that has flexibility to address a broad range of housing needs and are balanced to ensure safety and soundness of the Enterprises;

NAHB supports FHFA's efforts to encourage private capital to share credit risk undertaken by the Enterprises as long as credit sharing transactions do not increase mortgage costs or otherwise negatively impact access to credit or the safety and soundness of Fannie Mae and Freddie Mac.

*(Housing Finance Committee)
(Expiration Date: 2026)*

NAHB POLICY DUE TO EXPIRE

Recommendation: Reaffirm. Significant administrative reforms to the housing finance system have taken place in the absence of comprehensive housing finance system reform legislation. The Supreme Court decision in *Collins v. Yellen* has created a FHFA Director who serves at the will of the President which creates the potential for more drastic policy swings with each new administration. Reforms that lack the benefit of relative certainty provided by legislation require continued vigilance. NAHB remains committed to protecting the administrative reforms and positions addressed in the resolution.

2010.9 No. 16 Community Reinvestment Act

Resolved that the National Association of Home Builders urge the Congress and the federal banking regulators to amend the Community Reinvestment Act (CRA) regulations, guidance and processes as follows:

1. Develop a list of “safe harbor” federal, state and local financing programs for affordable housing to provide more clarity on which activities constitute affordable housing.
2. Provide more and better training for examiners, financial institutions and stakeholders (developers, syndicators, community leaders) on the CRA guidance as it relates to the definition of community development and what constitutes affordable housing.
3. Modernize the process for establishing assessment areas to ensure that the broadest range of communities benefit from CRA.
4. Increase the rigor of the CRA exam criteria, reduce subjective elements and increase penalties for noncompliance.
5. Work with stakeholders to develop a meaningful set of incentives that would encourage financial institutions to strive for an Outstanding rating.
6. Adopt a process that would allow a financial institution to receive CRA credit for investments outside their assessment areas, but within the state or region, if they can demonstrate a lack of opportunity or need in one or more of their local assessment areas.

Further resolved that the National Association of Home Builders reaffirm the following current policy that NAHB should:

1. Oppose administrative or Congressional efforts to weaken CRA by exempting institutions from CRA requirements or further reducing CRA reporting requirements;
2. Work with state and local home builders associations to monitor the housing lending performance of banks and thrifts in the associations' areas;
3. Support Community Reinvestment Act challenges when evidence exists that the institution purchasing another institution has not served the housing credit needs of the community or is likely to significantly disrupt outstanding or future credit for housing in the area following the acquisition.

*(Housing Finance Committee)
(Expiration Date: 2026)*

NAHB POLICY DUE TO EXPIRE

Recommendation: Reaffirm. On October 24, 2023, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System (the "federal banking regulators") issued a final rule to revise and strengthen the CRA regulatory framework with an effective date in 2024. On July 16, 2025 the federal banking regulators issued a joint notice of proposed rulemaking to rescind that final rule and replace it with regulations substantively identical to those in effect on March 29, 2024. The regulators' purported goal is to restore certainty in the CRA regulatory framework for stakeholders and limit regulatory burden on financial institutions. NAHB will continue to monitor developments and look for opportunities to advocate for changes to CRA in accordance with policies reflected in this resolution.

2010.9 No. 17 Property Assessed Clean Energy (PACE) Programs

Resolved that the National Association of Home Builders (NAHB) work with Congress, financial regulatory agencies, including the Federal Housing Finance Agency, and state and local governments, and participants in the housing and mortgage lending industries to resolve impediments to the effective use of Property Assessed Clean Energy (PACE) Programs as a means to finance energy retrofits in a manner that does not impair the functioning of the housing finance system.

*(Housing Finance Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. NAHB's policy supports PACE bonds as a means of financing energy efficient retrofits provided the PACE obligation is not in a lien position ahead of the first mortgage and payments on the PACE obligation are factored into mortgage underwriting. While certain mortgage disclosure and ability-to-repay requirements were extended to PACE loans by the Consumer Financial Protection Bureau (CFPB) and finalized in December of 2024, PACE liens continue to create a tax lien on the property, which takes priority over existing mortgages. Failure to pay the PACE lien can lead to foreclosure.

2010.9 No. 19 Mortgage Revenue Bond Home Improvement Loan Limits

Resolved that the National Association of Home Builders (NAHB) urge Congress to increase the Mortgage Revenue Bond (MRB) home improvement loan limit in Section 143(k)(4) of the Internal Revenue Code and index it for inflation;

Further resolved that NAHB urge Congress to eliminate the Section 143(k)(5) MRB rehabilitation loan program to pay to offset any budget impact.

*(Housing Finance Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The MRB program remains an important source of tax-exempt funding for residential purchase and projects.

NAHB POLICY DUE TO EXPIRE

2010.4 No. 1 Future of the Federal Home Loan Bank System

Resolved that the National Association of Home Builders urge policy makers not to undertake any changes to the housing finance system in a manner that will diminish the favorable cost of funds for the Federal Home Loan Banks or impair their role in providing liquidity to construction and mortgage lending institutions providing mortgage and housing production credit, support for community and economic development, and resources to address affordable housing needs.

Further resolved that the regulation of the mission and safety and soundness of the Federal Home Loan Bank System should reflect the uniqueness of the System's mission, cooperative operating structure, charter type and other characteristics.

*(Housing Finance Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The Federal Home Loan Bank System is recognized as an important and influential participant in all areas of housing finance – providing liquidity to construction and mortgage lending institutions; supporting community and economic development; and making resources available to meet affordable housing needs. As the industry, Congress and the Administration focus on how to affect broad reform of the housing finance system, as well as increased participation by community banks in financing homeownership and construction, most plans call for a continued, if not enhanced, role for the Federal Home Loan Bank System. NAHB should remain focused on this goal as housing finance system reform continues to be debated.

2006.5 No. 4 Use of Mortgage Revenue Bonds for Workforce Housing

Resolved that NAHB urge Congress to repeal the first-time home buyer requirement for home purchase loans being funded through the sale of Mortgage Revenue Bonds (MRBs) in order to facilitate the use of MRB-funded loans for workforce housing.

*(Housing Finance Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The MRB program remains an important source of tax-exempt funding for residential purchase and projects.

2006.1 No. 2 Mortgage Revenue Bond Reform

Resolved that NAHB urge Congress to repeal the Ten-Year Rule.

Further resolved that NAHB urge Congress to increase the allowable difference between the interest rate charged to a borrower and the interest rate of the underlying mortgage revenue bond to approximately 2%.

NAHB POLICY DUE TO EXPIRE

Further resolved that NAHB urge Congress to enact a program that would enable state Housing Finance Agencies to issue qualified veterans bonds to fund loan programs or, in the alternative, to expand the use of their MRB programs by providing exceptions to the first-time home buyer purchase, price and income requirements of the MRB program to serve all past, present and future military veterans.

*(Housing Finance Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. These changes would strengthen the MRB program.

NAHB POLICY DUE TO EXPIRE

HOUSING PROGRAMS

2018.7 No. 2 Federal Anti-Poverty and Economic Mobility Initiatives

NAHB encourages the federal government to seek strategic partnerships that offer meaningful opportunities for tenants who are receiving federal rental subsidies, and are able to work, to receive job-training, social skill building or employment case management from qualified providers of such services; and

NAHB opposes policies that impose work requirements as a condition of rental assistance, place time limits on rental assistance, or other similar “welfare-reform” policies that:

- Unduly burden assisted residents;
- Subject rental housing owners and managers to adverse unintended consequences, unfunded financial mandates and/or increased administrative burdens; or
- Place responsibility for creating, implementing or enforcing such policies on rental housing owners and/or managers.

*(Multifamily Council Board of Trustees; Housing Finance Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Operating affordable housing is a specialized, highly regulated and complicated business. The ideas of work requirements and time limits for housing assistance policy appeal to some policymakers. However, implementing these mandates could have serious negative unintended financial and legal consequences for both housing providers and residents.

2010.4 No. 2 Sound and Effective Downpayment Assistance Programs

Resolved that the National Association of Home Builders work with the housing and lending industries, housing agencies and Congress to develop sound credit underwriting requirements and accurate property valuation standards that will allow the establishment of additional downpayment assistance programs that will operate in a safe and sound manner.

*(Housing Finance Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Accumulating funds necessary for downpayment and closing costs continues to be a challenge, particularly for first-time home buyers. While federal and state downpayment assistance programs do exist, they are quite limited. Broadening the availability of downpayment assistance programs to be operated in a safe and sound manner requires appropriate credit standards and appraisals that reflect true market values. NAHB continues to advocate for fair underwriting standards and accurate appraisals that will facilitate the development of down payment assistance programs.

NAHB POLICY DUE TO EXPIRE

2002.6 No. 7 Local Public Housing Authority Calculation of Utility

Resolved that NAHB urge the Department of Housing and Urban Development to encourage local public housing authorities to establish two separate utility allowance calculations, one for newly constructed and another for rehabilitated multifamily housing.

*(Multifamily Council Board of Trustees)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Many Low-Income Housing Tax Credit (LIHTC) properties continue to rely on utility allowances published by public housing authorities, which often reflect older, less energy efficient public housing units. As a result, the utility allowance used to reduce rents is more than an allowance would be that was calculated using characteristics of a new LIHTC property.

2002.2 No. 1 Changes to the Rural Housing Service (RHS) Multifamily Production Programs

Resolved that NAHB supports legislative provisions that would:
Allow owners to prepay their Section 515 mortgages to:

- 1) Convert the Section 521 Rental Assistance Program to Section 8 project-based rental assistance.
- 2) Provide federal budget funding to support increased production to meet the market demand for affordable multifamily housing in rural areas.

*(Housing Finance Committee; Federal Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. This resolution supports legislative proposals that would allow owners to prepay their Section 515 mortgages to allow for the conversion of Section 521 Rental Assistance to Section 8 project-based rental assistance. It also supports federal budget funding to support increased production of rural multifamily housing.

1994.9 No. 16 Quality Standards for Section 8 Housing

Resolved that NAHB urge all relevant agencies, including the Department of Housing and Urban Development, to stringently enforce codes necessary to ensure that all Section 8 rental units meet Section 8 Housing Quality Standards.

*(Housing Finance Committee; Multifamily Council Board of Trustees)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Participation in the Section 8 Housing Choice Voucher program requires that all units meet physical property standards to ensure decent, safe housing for residents. Assuring Congress that the program provides decent, safe, affordable housing is critical to the program's continuation.

NAHB POLICY DUE TO EXPIRE

INSURANCE

2002.6 No. 3 Insurance

Resolved that NAHB:

- 1) Assist its affiliates in supporting state legislation to increase the availability of general liability insurance and lower premiums for builders and trade contractors, including but not limited to measures that:
 - a) Require consumers and renters to notify builders of alleged construction defects and actual damages and provide builders the opportunity to inspect and cure said defects prior to the initiation of litigation.
 - b) Shorten the timeframe in which plaintiffs may bring construction defect litigation under the statute of repose.
 - c) Fairly apportion liability to responsible parties in construction defect litigation.
- 2) Urge Congress to pass legislation that would provide secondary insurance coverage for acts of terrorism.
- 3) Educate insurance companies about the resources available to NAHB members, including certification, education, manuals and quality assurance programs, in order to encourage insurers to write affordable general liability insurance policies.
- 4) Encourage insurance companies to more fully utilize and support the resources of the Consortium of Housing Research/Resource Centers.
- 5) Meet with state insurance commissioners, GSEs, Federal Home Loan Banks and other relevant federal and state regulatory agencies to make them aware of the insurance problems confronting the housing industry.

Further resolved that NAHB:

- 1) Encourage the use of alternative dispute resolution techniques, such as arbitration and mediation, in order to avoid costly litigation.
- 2) Provide NAHB members with information that will assist them in obtaining necessary insurance coverage at reasonable rates.
- 3) Educate NAHB members on fundamentals of risk management and insurance, including:
 - a) Avoiding risks,
 - b) Minimizing risks,
 - c) Transferring risks, and
 - d) Handling claims.
- 4) Encourage the use of express limited warranties as a means of limiting liability exposure for builders.
- 5) Study the feasibility of a consumer-purchased extended warranty for construction defects to

NAHB POLICY DUE TO EXPIRE

minimize builder liability.

6) Educate consumers and renters relative to home maintenance responsibilities.

*(Federal Government Affairs Committee; State & Local Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. This resolution is needed in order to allow for the encouragement for insurance companies to use the various housing research centers.

NAHB POLICY DUE TO EXPIRE

LABOR

2018.7 No. 8 Substance Abuse in the Workplace

NAHB supports efforts to combat substance abuse issues in the workplace.

NAHB will develop coalitions and partnerships with entities who share similar interests in addressing the substance abuse issues at the federal and state level.

NAHB urges Congress to continue its support for efforts to reduce dependence on drugs and alcohol.

NAHB treats opioids, marijuana, alcohol, and other drug use in the workplace as primarily a workplace safety issue.

*(Construction Liability, Risk Management, and Building Materials Committee; Construction Safety and Health Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The U.S. general workforce drug testing positivity rate has exceeded 5% since 2020, with post-accident positivity rates twice as high. Public policy must contemplate the significant risks that substance impairment poses on construction jobsites. Accordingly, it is recommended that the policy be reaffirmed.

2014.6 No. 4 Workforce Development Policy

Resolved that the National Association of Home Builders support the following workforce development policy:

1. Positive working relationships should be developed between local and state home builder associations and existing career and technical education institutions to promote and advance careers in the home building industry.
2. HBI's career building programs, initiatives, Residential Construction Academy (RCA) resources and curricula are used by the industry and its employers to prepare individuals for careers in the industry.
3. NAHB supports the allocation/appropriation of local, state and federal funds for the implementation of industry-sponsored and validated programs.
4. In order to attract more people to construction employment and careers in the home building industry, NAHB supports HBI programs including Job Corps, Pre-Apprenticeship Certificate Training (PACT) and Residential Construction Superintendent Certification.

NAHB POLICY DUE TO EXPIRE

5. NAHB supports the Job Corps and PACT Programs as cost effective means of providing training and employment opportunities to individuals who are unable to compete in the labor market and of supplying the construction industry with a source of well-trained and motivated workers.

6. The policy of recruitment, selection employment and training shall be conducted without discrimination because of race, color, religion, national origin or sex.

*(Federal Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. This resolution continues to be relevant to the support of HBI certification and credentialing programs aligned with the National Green Building Standard including Job Corps, Pre-apprenticeship Certificate Training (PACT), Residential Construction Academy (RCA) and Residential Construction Superintendent (RCS) certification programs.

1994.5 No. 38 Antitrust Laws

Resolved that NAHB favor the application for Federal antitrust laws to unions and the removal of legal immunities of unions from other Federal laws. It urges that unions be made subject to the same obligations now required of business firms as to engaging in political and other activities.

*(Federal Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. NAHB continues to be engaged on legislative policies in this area, including opposing legislation that would expand union rights at the expense of employers.

1994.1 No. 8A Health Care Reform

Resolved that NAHB urge the Administration and Congress to create an environment which will encourage, support and provide incentives to our free enterprise system through a market-based approach to health care reform that will:

1. Provide universal access to health insurance for legal residents, rather than guaranteed/mandated coverage,
2. Improve access to health care at the individual level by providing a refundable tax credit for health expenses for low- and moderate income Americans, permanently increase the tax deduction for health insurance costs of the self-employed from 25 percent to 100 percent; and promote tax-deferred individual medical savings Individual Retirement Accounts (“Medisave” accounts).
3. Enact meaningful medical malpractice reforms,
4. Promote cost containment,

NAHB POLICY DUE TO EXPIRE

5. Preserve existing association-sponsored health programs as viable mechanisms for pooling risks and increasing the market leverage of small employers, and

Further resolved that NAHB reaffirm is strong opposition to:

1. Any attempt to reclassify independent contractors as employees for the purpose of mandating health care coverage,

2. Any attempt to change the treatment of Subchapter S and partnership income to increase taxes to pay for health care,

3. Broad employer mandate as the vehicle to provide health insurance/universal coverage to all employees,

4. Federal control of the state-based workers' compensation system.

*(Federal Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. NAHB continues to be actively engaged in health care reform, including seeking more market-based policies and cost containment measures.

NAHB POLICY DUE TO EXPIRE

LAND DEVELOPMENT

2022.2 No. 2 NAHB Smart Growth Policy Statement: Building Better Places to Live, Work and Play

Resolved that the National Association of Home Builders (NAHB) endorse the concept of Smart Growth as outlined in this statement, including the key elements of Smart Growth which include:

1. Anticipating and planning for economic development and population growth in a timely, orderly and predictable manner.
2. Establishing a long-term comprehensive plan in each local jurisdiction that makes available an ample supply of land for residential, commercial, recreational and industrial uses and sets aside meaningful open space. These plans should also protect environmentally sensitive areas and maintain a balance between the environment and growth. Jurisdictions should plan for population change by adequately planning for enough housing, at various price points and of varying size and design, to meet the needs of a growing and diverse population.
3. Developments that comply with the policies and regulations established by the community should be allowed to proceed without unreasonable oversight from relevant agencies.
4. Removing and avoiding the creation of policy barriers and avoiding creating new barriers that impede innovative land-use planning techniques to be used.
5. Ensuring that the actions of all levels of government address the affordability of all housing.
6. Ensuring that policies enhance rather than limit consumer choice and that these policies provide solutions that meet the needs of consumers and the concerns of neighborhoods.
7. Planning and constructing new schools, roads, transit systems, water and sewer treatment facilities and other public infrastructure in a timely manner to anticipate and keep pace with the demand for jobs and housing and finding fair and broad-based ways to underwrite the costs of infrastructure investment that benefit the entire community.
8. Ensuring that the process for reviewing site-specific land development applications is reasonable, predictable and fair for applicants.
9. Ensuring that policies enacted to achieve sound growth and environmental principles are supported by sound science, including field-tested, empirical and peer-reviewed data.

Further resolved when used appropriately and in concert with market forces, Smart Growth can serve as a blueprint for planning and building an even better America in the years ahead. To assist local communities in developing Smart Growth plans, NAHB support and encourage the implementation of the four Smart Growth Principles. [See Appendix]

APPENDIX

Smart Growth Principles



NAHB POLICY DUE TO EXPIRE

Principal 1 - Meet the Nation's Housing Needs by Utilizing a Responsible and Comprehensive Process for Planning for Growth: As a fundamental part of any "Smart Growth" plan, a community must plan for and accommodate its anticipated growth in economic activity, population and housing demand as well as ongoing changes in demographics and lifestyles. The Harvard Joint Center for Housing Studies reports that nearly 18 million U.S. households spend more than half of their incomes on housing, and that one in ten households in the bottom income quartile live in housing that is physically inadequate. Statistics such as these demonstrate a substantial need for new housing that is both of good quality and affordable. Meeting this demand for shelter and increasing homeownership opportunities are compelling national goals that must be addressed in every community's comprehensive growth plan. It is the responsibility of every community to plan for and embrace the growth that is naturally triggered by economic prosperity.

NAHB supports comprehensive land-use planning that clearly identifies land to be made available for residential, commercial, recreational and industrial uses as well as land to be set aside as meaningful open space. This planning should also respect environmentally sensitive areas and consider a regional transportation system that implements appropriate modes of transportation including roads that are based on current and proposed land use patterns. Such plans should consider a community's projected economic growth rate, job location, demand for new housing and expanded infrastructure required to serve a growing population. Builders, land developers and other industry members should be encouraged to lend their expertise and participate in the design and periodic review of a community's comprehensive planning process. It is important to note that there is no one-size-fits-all approach to public policy and NAHB shall continue to stress the appropriate role of the federal government in supporting local government in advancing land use planning decisions.

Principal 2 – Provide a Wide Range of Housing Choices and Sufficient Supply of Housing: NAHB recognizes the basic right of every American to have a free choice in deciding where and in what kind of home to live. NAHB surveys consistently show that two-thirds of prospective home buyers prefer single-family detached housing over other structure types and in a variety of settings. The surveys show that the majority of buyers are split roughly evenly in their preferences among a close-in suburb, an outlying suburb, and a rural location rather than a central city. Communities should recognize these basic preferences as part of any comprehensive planning process. Policy makers should understand that market preferences are fluid over time, and that their policies and regulations should be flexible enough to respond adequately to this fluidity.

NAHB supports planning for growth that allows for a wide range of housing types to suit the needs and income levels of a community's diverse population, while recognizing "smart ways" to manage growth by permitting higher densities, preserving open space and protecting environmentally sensitive areas where appropriate. Finding decent, affordable housing is an ongoing struggle for millions of American families any Smart Growth planning process should provide for housing

NAHB POLICY DUE TO EXPIRE

affordability at all income levels.

Included in a wide range of housing types in housing that falls into the category now referred to as “missing middle housing”. Missing middle housing includes duplexes, triplexes, cottage-courts, townhouses and other housing types that fall between single-family detached housing and large multifamily buildings. As land costs rise and so much land dedicated to single-family detached homes only, these housing types can add discreet density and affordability.

When used properly as a planning tool, Smart Growth can help expand homeownership opportunities and allow Americans to live in the homes and communities of their dreams. When not used properly, Smart Growth can be used as a tool to stop or slow growth; such a move would penalize and put at greatest risk those living at the edge of housing affordability—the young, minorities, immigrants and moderate-income families.

Principle 3 - Plan and Fund Infrastructure Improvements Fairly: Ensuring that the construction of schools, roads and other infrastructure keeps pace with the anticipated growth in population and economic activity is essential to any “Smart Growth” plan. Appropriate bodies of government should adopt capital improvement plans that fund and provide the infrastructure necessary to support new development. Planning major infrastructure improvements—particularly transportation—requires cooperation across governmental boundaries to resolve issues.

Ensuring that infrastructure is funded equitably and that the cost is shared equitably among all segments of the community—current residents as well as newcomers—is an even greater challenge. NAHB encourages local communities to rely on an array of balanced, reliable, and equitable tools to finance and pay for the construction and expansion of roads, schools, water and sewer facilities and other infrastructure required to serve a vibrant community.

Infrastructure investment carries with it long term benefits to a community and it is vital to long-term economic competitiveness. Because of this, it is important that local government prioritizes where and how this investment happens in its area. The public and private sectors should create partnerships with each other to plan and select the modes of transportation that work best for that region.

Principle 4 - Use Land More Efficiently: The housing market is characterized by a diversity of interests, including a strong consumer preference for single family homes on individual lots in a variety of densities and settings. Planning therefore should serve the public interest and its many diverse aspirations.

NAHB supports innovative land-use policies to encourage more sustainable, compact, mixed-use, and pedestrian-friendly developments with access to open space and various transportation options.

NAHB POLICY DUE TO EXPIRE

NAHB also recognizes that revitalizing older suburban and inner city markets and encouraging infill development is universally accepted as good public policy in terms of using land more efficiently. However, even under the best of conditions, urban and infill development will satisfy only a small percentage of a community's demand for new housing.

A great percentage of zoned residential land in the United States allows single-family detached housing only. Increasing density through missing middle housing is one way to use limited land more efficiently to produce more units. Local zoning codes must first allow such housing types in residential areas and decrease the exclusionary affect of single-family housing only. Similar zoning ordinances, such as minimum lot sizes, certain prescriptive design standards can also artificially raise housing costs and should be critically examined if housing affordability and production is a goal.

Generating greater public support for these types of more efficient development will require local governments to remove regulatory barriers to such development and educate citizen groups who are opposed to change in their communities and to any new growth. The federal government and the nation's cities will have to work closely with the housing industry to overcome other major impediments, such as aging infrastructure, high land costs, lending complexities that make redevelopment costly and difficult, and federal liability laws that increase risks for builders involved in the redevelopment of "brownfield" sites. Making cities safe from crime, improving the quality of schools and creating employment opportunities are prerequisites for rebuilding the nation's inner cities and for encouraging people to return to them.

A federal mandate which dictates the location, place and form of development does not respect local circumstances and is not appropriate. Policies that work in one region may have serious unintended consequences in another. The United States is far too diverse demographically, historically, geographically, and economically to successfully implement a "one-size-fits-all" program. The federal government's role should be to encourage and coordinate with, and not prescribe to, local communities to adopt long-term comprehensive plans that will meet the demand for new housing, economic development, and public infrastructure. The federal government should work to eliminate redundant and contradictory regulations that impede economic development and prevent the housing industry from meeting the demand for new housing.

*(Land Development Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The Land Development Committee is going to review this policy in depth over the next year to consider updating it.

2014.6 No 6 Support for Voluntary Private Transfer Fees

Resolved that the National Association of Home Builders support the use of voluntarily established private transfer fees for properties already subject to them, or where the voluntarily established

NAHB POLICY DUE TO EXPIRE

private transfer fee is clearly disclosed, and where such fees are used to benefit (1) a property owners association that manages the subdivision; (2) a nonprofit that meets Internal Revenue Code requirements; or (3) a government entity.

*(Land Development Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. NAHB continues to support the use of voluntarily established private transfer fees in the way described, FHFA and FHA policy are aligned on the topic.

2010.4 No. 4 Inclusionary Zoning

Resolved that the National Association of Home Builders:

1. Oppose the use of inclusionary zoning laws or ordinances that are not voluntary or do not include measures such as density bonuses, subsidy grants, or others that do not fully compensate for costs associated therewith,
2. Oppose existing inclusionary zoning laws or ordinances that are not voluntary or do not include measures such as density bonuses, subsidy grants, or others that do not fully compensate for costs associated therewith,
3. Support addressing housing affordability through the use of a competitive housing market that encourages and accommodates housing options for all income levels,
4. Support the provision of affordable housing through a broad and comprehensive strategy to address housing affordability at the state and local level that closely examines the causes of that problem and relies on a variety of targeted approaches to address those causes, including direct income and housing subsidies, removal of zoning and regulatory barriers to provide for a sufficient number of housing units to meet projected growth, rather than relying primarily on mandatory inclusionary zoning,
5. Support the production of a broad spectrum of housing by the home building industry that guarantees appropriate development incentives and subsidies,
6. Guarantee that the cost is not borne disproportionately by the new home buying public,
7. Continue monitoring research on the actual effectiveness of inclusionary zoning and actively communicate results to date.

*(Land Development Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Inclusionary Zoning remains among the top issues related to development activity, and as so, NAHB receives many requests for assistance with inclusionary zoning. The policy allows NAHB both to suggest other approaches as well as to assist associations with the issues involved if communities are set on adopting inclusionary zoning.

NAHB POLICY DUE TO EXPIRE

2006.9 No. 3 Urban Growth Boundaries

Resolved that NAHB firmly oppose urban growth boundaries, which restrict the amount of developable land and contribute to increased housing prices and leapfrog development patterns.

(Land Development Committee)

(Expiration Date: 2026)

Recommendation: Reaffirm. NAHB continues to believe urban growth boundaries are a flawed approach to managing growth for cities, states and regional areas.

NAHB POLICY DUE TO EXPIRE

TAX

2018.1 No. 1 Retention of Tax Incentives for Housing

Resolved that the National Association of Home Builders (NAHB) reaffirm that the tax code should include incentives to make the American dream of homeownership a reality for a substantially greater group of Americans across the entire income spectrum and also promote affordable apartment homes, including most critically:

1. A homeownership tax incentive that reflects the costs of homeownership, such as mortgage interest and local property taxes;
2. Tax incentives for remodeling, including energy efficiency tax credits;
3. The tax exemption for interest on mortgage revenue bonds for owner-occupied housing and exempt facility bonds for low-income renter-occupied housing;
4. The exclusion of capital gains on the sale of a principal residence;
5. The low-income housing tax credit, along with additional resources to meet the affordability crisis;
6. Appropriate cost-recovery periods for rental housing;
7. The completed contract rules.

Further resolved that NAHB strongly urge Congress to oppose any tax revisions that do not take into account the special importance of housing to the economy and the stability of neighborhoods and communities.

*(Federal Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. This policy remains the guiding force for NAHB's tax advocacy efforts, including our opposition to tax increases and protecting the tax provisions that support real estate.

2010.9 No. 22 Estate Tax

Resolved that the National Association of Home Builders remains opposed to the estate tax and thereby urges Congress to reduce or eliminate the effect of the estate tax by increasing the exemption amount, reducing the tax rate, and preserving the step-up-in-basis rules, or otherwise opposing the estate tax entirely if unsuccessful in those efforts.

*(Federal Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Congress permanently increased the estate tax exemption and made stepped-up-basis permanent, but maintaining this policy enables NAHB to both support efforts to repeal the tax and also to oppose efforts to expand it.

NAHB POLICY DUE TO EXPIRE

2010.1 No. 1 Support for Multifamily Housing Tax Policy

Resolved that the National Association of Home Builders urge Congress to extend the LIHTC Tax Credit Exchange Program and expand it to include disaster credits;

Further resolved that the National Association of Home Builders urge Congress to oppose modifying the present law tax treatment of carried interest thereby increasing the tax burden on real estate investments.

*(Federal Government Affairs Committee; Multifamily Council Board of Trustees)
(Expiration Date: 2026)*

Recommendation: Reaffirm. Carried interest remains an important tool for financing real estate, and remains a target for elimination.

2006.5 No. 2 Local Tax Assessment of a LIHTC Project

Resolved that NAHB support the adoption of state legislation requiring real estate taxes for an affordable housing property subject to rental or income restrictions to be fairly tax assessed using the income approach where appropriate.

*(Multifamily Council Board of Trustees)
(Expiration Date: 2026)*

Recommendation: Sunset. Although property taxes place financial pressure on affordable and rent-restricted property, NAHB is unable to directly advocate for changes to state or local laws. It is unclear the intent behind this 20-year old policy.

2006.5 No. 3 Exceptions to Section 42 of the Internal Revenue Code to Develop Rental Housing for Disaster-Displaced Households

Resolved that NAHB urge Congress to implement the following statutory changes as exceptions to Section 42 of the Internal Revenue Code for Low Income Housing Tax Credit (LIHTC) projects located in the federally declared disaster areas:

- 1) Grant state housing finance agencies (or appropriate allocating agencies) the authority to set a higher tax credit percentage for each project, up to a maximum of 12 percent.
- 2) Waive the eligibility restriction on LIHTC properties in place less than 10 years so that those that were substantially damaged by the storms can obtain additional tax credits to make them habitable again.
- 3) Allow a special disaster tax credit allocation (such as provided for the Gulf Opportunity Zone in H.R. 4440) to be carried over for up to five years, based on the amount of additional authority being

NAHB POLICY DUE TO EXPIRE

allocated.

4) Allow the use of federal assistance with tax credits without reducing the eligible basis of the project.

*(Federal Government Affairs Committee; Multifamily Council Board of Trustees)
(Expiration Date: 2026)*

Recommendation: Reaffirm. The LIHTC program is an important resource for dealing with disaster relief and redevelopment.

2006.1 No. 3 Converting Unused Private Activity Bond Cap Into Low-Income Housing Tax Credits

Resolved that NAHB urge Congress to amend the Internal Revenue Code to allow states to convert unused private activity bond cap into Low Income Housing Tax Credits.

*(Multifamily Council Board of Trustees; Federal Government Affairs Committee)
(Expiration Date: 2026)*

Recommendation: Reaffirm. These changes would increase the supply of affordable housing by increasing the use of the tax-exempt bond program.

2002.9 No. 7 Low Income Housing Tax Credit Eligibility for Enlisted Military Personnel

Resolved that NAHB urge Congress to revise the statute for the Low Income Housing Tax Credit program to provide eligibility for enlisted military personnel, regardless of income.

*(Multifamily Council Board of Trustees)
(Expiration Date: 2026)*

Recommendation: Reaffirm. These changes would expand the use of the LIHTC program.