

MEMBER POLICY UPDATE

H.R. 6644 — Section 1001

Homes Are for People, Not Corporations

Senate Text (June 16, 2026)

KEY ISSUE

Section 1001 prohibits large institutional investors from purchasing single-family homes, with limited exceptions. CREFC members active in SFR finance, BTR lending, and mortgage servicing should carefully assess how this provision's definitions and carve-outs apply to their business activities.

Overview

Section 1001 of H.R. 6644 — titled “Homes Are for People, Not Corporations” — establishes a broad prohibition on purchases of single-family homes by entities meeting the definition of a “large institutional investor.” The provision takes effect 180 days after enactment and sunsets 15 years thereafter. Treasury is authorized to issue implementing regulations in consultation with HUD, FHFA, and the SEC.

Key Definitions

Single-Family Home

The statute defines “single-family home” as a structure containing 2 or fewer dwelling units intended for residential occupancy by a single household. Manufactured homes are expressly excluded.

CREFC CONCERN

The “2 or fewer dwelling units” definition captures duplexes and may inadvertently sweep in certain attached or small-unit multifamily product, including some BTR configurations. This overbroad definition is a primary CREFC advocacy concern.

Large Institutional Investor

An entity qualifies as a “large institutional investor” if it:

- Is an investment fund, corporation, partnership, LLC, joint venture, association, or other for-profit entity;
- Is engaged, in whole or in part, in investing in, owning, renting, managing, or holding single-family homes; and
- Alone or in concert with one or more other entities, has “investment control” of not less than 350 single-family homes in the aggregate (post-enactment, excluding excepted purchases).

Government entities and their instrumentalities are excluded from the definition.

Investment control is broadly defined and includes any entity that:

- Owns the single-family home, or has primary authority or fiduciary responsibility to make material investment or management decisions;
- Is or directly/indirectly controls the general partner or managing member of an owning entity;
- Is or controls the investment manager, management company, or investment advisor of an owning entity;
- Owns or controls more than 25% of any class of equity interests of an owning entity (unless a passive investor); or
- Otherwise controls the entity that owns the single-family home.

**CREFC
NOTE**

The “in concert” aggregation rule and the breadth of the investment control test could create significant compliance complexity for CMBS special servicers, REITs, and other entities with indirect or fund-level exposure to SFR assets.

Purchase

The term “purchase” is defined expansively to include any purchase, transfer, or acquisition of a single-family home, including through mergers, acquisitions, construction, foreclosures, or bulk purchases, whether or not for cash consideration.

The Prohibition (Subsection (b))

No large institutional investor may purchase, or contract to purchase, any single-family home — subject to the exceptions described below. The prohibition does not require divestiture of homes owned as of the date of enactment, nor does it affect bankruptcy proceedings.

Excepted Purchases — Carve-Outs from the Prohibition

The statute enumerates the following categories of “excepted purchases” that fall outside the prohibition:

Exception	Description
(A) New Construction / Renovation / Rental Conversion	Newly constructed, renovated, or converted homes for sale by a large institutional investor, not held as a residence rented pending sale.
(B) Build-to-Rent (BTR)	Newly constructed homes purchased, constructed, or retained by an LII as rental property under a BTR program — whether in an exclusively renter-occupied community or a mixed owner/renter community.
(C) Renovate-to-Rent	Substantial rehabilitation of homes that fail to meet local building code standards for structure or core systems, with aggregate improvements of at least 15% of the purchase price.
(D) Homeownership Program (Rent-to-Own)	Structured rent-to-own arrangements where: (i) rents/fees are not greater than similarly situated homes; (ii) the contract is treated as a consumer credit transaction secured by a dwelling; (iii) rental payments are positively reported to credit bureaus (opt-in); and (iv) the LII provides meaningful financial support (e.g., price concessions) for the renter’s purchase.
(E) Homeownership Boost Program	Programs providing: (i) positive credit reporting (opt-in); (ii) right of first refusal and 30-day “first look” period; and (iii) optional meaningful financial support for renter purchase of the occupied home or another home.
(F) Debt Satisfaction / Repossession	Acquisition in connection with satisfaction of previously contracted debts where the LII has repossession rights.
(G) REO / Servicer / Loss Mitigation	Acquisitions by a mortgage servicer, lender, or other entity with a legal right to the home for loss mitigation or compliance with servicing/investor obligations (not as a long-term investment strategy) — arising from foreclosure, deed-in-lieu, enforcement of a mortgage or security interest, or borrower default.
(H) Purchase from Another LII	Purchases from another large institutional investor that owned the home on enactment or acquired it in compliance with this section.
(I) Transitional Purchase (2-Year Window)	Purchases from non-covered investors occurring within 2 years of the effective date.

Exception	Description
(J) Age-Restricted / 55+ Community	Homes intended and operated for households with at least one member aged 55 or older, meeting HUD standards.
(K) Combination Purchases	Any single purchase or series of purchases falling within exceptions (A) through (J).

CREFC CONCERN *The BTR carve-out (Exception B) does not expressly address the multifamily nature of the product. Members should assess whether their BTR lending portfolios involve product that could fall within the statute’s “single-family home” definition. The REO/servicer exception (G) is a CREFC priority issue: as written, it is not clear to whom the servicer can dispose of the REO property.*

Grandfathering and Transitional Rules

- No divestiture required: The prohibition does not apply to homes owned as of the date of enactment. Existing portfolios are grandfathered, but it is not clear if the grandfathering exemption is maintained if the LII sells the property.
- Portfolio restructuring: Post-enactment internal restructuring or reorganization of ownership of pre-enactment homes is also exempt.
- 2-year purchase window: LIIs may purchase from non-covered investors for up to 2 years after the effective date (180 days post-enactment).
- LII-to-LII transfers: An LII may purchase from another LII that either owned the home on enactment or acquired it in compliance with the statute.

CREFC CONCERN *The grandfathering provisions protect existing portfolios from forced sale but do not address the long-term disposition, including obligations that may arise if a servicer accumulates REO over time. The interaction between the grandfathering rules and the REO/servicer exception warrants close attention for lenders and servicers..*

Enforcement and Penalties

The Secretary of the Treasury, or the Attorney General at Treasury’s request, may bring a civil action against a violating large institutional investor. Civil penalties are the greater of:

- \$1,000,000 per violation, or
- 3 times the purchase price of the property involved.

Civil penalties collected are directed to HUD for the HOME Investment Partnerships Program, to be used for new construction, acquisition, and rehabilitation of single-family homes and for first-time homebuyer assistance grants (downpayments, closing costs, and interest rate buydowns), subject to appropriations.

Renter Outreach Resource

Within 180 days of enactment, the Secretary of the Treasury must establish a renter outreach resource (toll-free number and public website) to assist tenants of LII-owned properties in notifying federal agencies of disputes and potential Federal law violations. Large institutional investors are required to:

- Notify each renter of the resource at first occupancy and annually;

- Provide the name, phone number, and email of a dispute-contact person (with 30-day update obligation); and
- Feature outreach resource information prominently on the investor’s public website.

LLIs must also file annual notifications with the Secretary identifying their status and the number and location of homes under their investment control (with a de minimis exclusion for cities where they own 10 or fewer homes).

Regulatory Authority

The Secretary of the Treasury may issue notice-and-comment regulations to minimize market disruptions and mitigate negative consumer and community impacts. Critically, regulations may not:

- Amend any statutory definition, including the definition of “large institutional investor” or any excepted purchase category;
- Alter the scope of exceptions in ways that would undermine the goal of expanding single-family homeownership opportunities; or
- Adjust the 350-home quantitative threshold.

Mandatory Studies and Sunset

The provision requires two rounds of reports on implementation and effectiveness: an initial report within 2 years of the effective date, and a follow-up 10 years later. These are to be submitted by both GAO (to the Senate Banking Committee and House Financial Services Committee) and HUD (in consultation with Treasury, FHFA, SEC, VA, and Rural Housing Service).

The prohibition and enforcement provisions are subject to a 15-year sunset, taking effect 180 days after enactment of the Act.

CREFC Advocacy Priorities

CREFC is actively engaged with Congress on two primary technical concerns with Section 1001 as currently drafted:

Priority Issue #1	Overly Broad “Single-Family Home” Definition The “2 or fewer dwelling units” definition inadvertently captures certain multifamily and BTR product. CREFC is seeking a definition tied to physical/functional characteristics that more clearly excludes purpose-built rental communities and multifamily products.
Priority Issue #2	Broken Grandfathering Rules / Narrow REO Servicer Exception Lenders and servicers taking back properties through foreclosure would be exempt under section (a)(2)(G), but disposing of real estate owned (REO) is unclear. CREFC is advocating for a cleaner, broader servicer carve-out and clarification of the grandfathering rules to address ongoing servicing obligations.