

119TH CONGRESS
1ST SESSION

S. _____

To establish a program to provide low- and moderate-income first-time, first-generation homebuyers with access to affordable and sustainable wealth-building home loans.

IN THE SENATE OF THE UNITED STATES

Mr. WARNER introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To establish a program to provide low- and moderate-income first-time, first-generation homebuyers with access to affordable and sustainable wealth-building home loans.

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 “Low-Income First-
5 Time Homebuyers Act of 2025” or the “LIFT Home-
6 buyers Act of 2025”.

7 **SEC. 2. WEALTH-BUILDING HOME LOAN PROGRAM.**

8 (a) ESTABLISHMENT OF LIFT HOME FUNDS.—

1 (1) IN GENERAL.—There is established in each
2 Loan Guarantee Agency a fund to be known as the
3 LIFT HOME Fund, into which amounts made
4 available under this section shall be deposited and
5 which shall be used by each Department for carrying
6 out the purposes of this section.

7 (2) MANAGEMENT OF FUND.—The LIFT
8 HOME Fund of each Loan Guarantee Agency shall
9 be administered and managed by the respective Sec-
10 retary, who shall establish reasonable and prudent
11 criteria for the management and operation of any
12 amounts in the Fund.

13 (b) USE OF FUNDS.—

14 (1) TRANSFER OF AMOUNTS TO TREASURY.—
15 Such portions of the amount made available to the
16 Secretary of Housing and Urban Development under
17 this section shall be transferred by the Secretary of
18 Housing and Urban Development to the Department
19 of the Treasury in an amount equal to, as deter-
20 mined by the Secretary of the Treasury, in consulta-
21 tion with the Secretary of Housing and Urban De-
22 velopment—

23 (A) the amount the Secretary of the Treas-
24 ury estimates to be necessary for the purchase
25 of securities under the Program during the pe-

1 riod for which the funds are intended to be
2 available;

3 (B) the difference between—

4 (i) the Secretary of the Treasury's re-
5 ceipts from the sale or other disposition of
6 securities acquired under the Program;
7 and

8 (ii) the Secretary of the Treasury's
9 costs in purchasing such securities; and

10 (C) the Department of the Treasury's ad-
11 ministrative expenses related to the Program.

12 (2) CREDIT SUBSIDY.—Such portion of the
13 amount made available to each Secretary under this
14 section as may be necessary may be used for the
15 cost to the respective Loan Guarantee Agency of
16 guaranteed loans under this section. Such costs, in-
17 cluding the costs of modifying such loans, shall be
18 as defined in section 502 of the Congressional Budg-
19 et Act of 1974 (2 U.S.C. 661a).

20 (c) ESTABLISHMENT OF THE LIFT HOME PRO-
21 GRAM.—Each Secretary shall establish, and carry out,
22 with respect to any mortgage with a case number issued
23 on or before December 31, 2027, that is subsequently in-
24 sured or guaranteed by such Secretary, a program to
25 make covered mortgage loans available to eligible home-

1 buyers to purchase a single-family residence for use as
2 their principal residence (referred to in this section as the
3 “Program”), under which—

4 (1) the Secretary of the Treasury—

5 (A) shall act as a purchaser, on behalf of
6 the Secretary of Housing and Urban Develop-
7 ment, of securities that are secured by covered
8 mortgage loans;

9 (B) may designate financial institutions,
10 including banks, savings associations, trust
11 companies, security brokers or dealers, asset
12 managers, investment advisers, and other insti-
13 tutions and such institutions shall—

14 (i) perform all reasonable duties re-
15 lated to this section as a financial agent of
16 the United States as may be required; and

17 (ii) be paid for such duties using ap-
18 propriations available to the Secretary of
19 the Treasury to reimburse financial insti-
20 tutions in their capacity as financial agents
21 of the United States;

22 (C) may use the services of any agency or
23 instrumentality of the United States or compo-
24 nent thereof on a reimbursable basis, and any
25 such agency or instrumentality or component

1 thereof is authorized to provide services as re-
2 quested by the Secretary using all authorities
3 vested in or delegated to that agency, instru-
4 mentality, or component;

5 (D) may manage, and exercise any rights
6 received in connection with, any financial in-
7 struments or assets purchased or acquired pur-
8 suant to the authorities granted under this sec-
9 tion;

10 (E) may establish and use vehicles to pur-
11 chase, hold, and sell financial instruments and
12 other assets; and

13 (F) may issue such regulations and other
14 guidance as may be necessary or appropriate to
15 carry out the authorities or purposes of this
16 section;

17 (2) each Secretary of a Loan Guarantee Agency
18 shall—

19 (A) establish pricing terms for covered
20 mortgage loans such that the covered mortgage
21 loans carry a monthly mortgage payment of
22 principal and interest that is not more than 110
23 percent and not less than 100 percent of the
24 monthly payment of principal, interest, and
25 periodic mortgage insurance premium or loan

1 guarantee fee associated with a newly origi-
2 nated 30-year mortgage loan with the same
3 loan balance insured or guaranteed by the Loan
4 Guarantee Agency as determined by each Sec-
5 retary, or such pricing terms as are determined
6 by each Secretary to be necessary to develop li-
7 quidity for securities backed by covered mort-
8 gage loans and expand Program participation
9 by eligible homebuyers; and

10 (B) establish an outreach and counseling
11 program to increase stakeholder awareness of
12 the Program; and

13 (3) the Secretary of Housing and Urban Devel-
14 opment shall—

15 (A) in consultation with the Secretary of
16 the Treasury, establish the pricing terms for
17 the purchase of securities guaranteed by the
18 Association secured by covered mortgage loans
19 such that the covered mortgage loans carry a
20 monthly mortgage payment of principal and in-
21 terest that is not more than 110 percent and
22 not less than 100 percent of the monthly pay-
23 ment of principal, interest, and periodic mort-
24 gage insurance premium or loan guarantee fee
25 associated with a newly originated 30-year

1 mortgage loan with the same loan balance in-
2 sured or guaranteed by the Loan Guarantee
3 Agency, or such pricing terms as are deter-
4 mined by the Secretaries to be necessary to de-
5 velop liquidity for securities backed by covered
6 mortgage loans and expand Program participa-
7 tion by eligible homebuyers;

8 (B) have the authority to designate mort-
9 gage bankers, financial institutions, including
10 banks, savings associations, trust companies,
11 security brokers or dealers, asset managers, in-
12 vestment advisers, and other institutions and
13 such institutions shall—

14 (i) perform all reasonable duties re-
15 lated to this section as an agent of the
16 United States as may be required; and

17 (ii) be paid for such duties using ap-
18 propriations available under this section to
19 the Secretary of Housing and Urban De-
20 velopment to reimburse these entities in
21 their capacity as agents of the United
22 States;

23 (C) have the authority to use the services
24 of any agency or instrumentality of the United
25 States or component thereof on a reimbursable

1 basis, and any such agency or instrumentality
2 or component thereof is authorized to provide
3 services as requested by the Secretary of Hous-
4 ing and Urban Development using all authori-
5 ties vested in or delegated to that agency, in-
6 strumentality, or component;

7 (D) operate the Program in coordination
8 with the Association, the Federal Housing Ad-
9 ministration, the Rural Housing Service, and
10 the Secretary of the Treasury so as to dem-
11 onstrate feasibility and workability to market
12 participants, including—

13 (i) originators and servicers of mort-
14 gages;

15 (ii) issuers of mortgage-backed securi-
16 ties; and

17 (iii) investors; and

18 (E) gain price discovery experience by in-
19 structing the Secretary of the Treasury, fol-
20 lowing consultation with the Secretary of the
21 Treasury to sell acquired securities described in
22 subparagraph (A) as soon as practicable, there-
23 by hastening the development of liquidity for se-
24 curities backed by covered mortgage loans.

1 (4) GNMA GUARANTEE AUTHORITY.—To carry
2 out the purposes of this section, the Association may
3 enter into new commitments to issue guarantees of
4 securities based on or backed by mortgages insured
5 under this section.

6 (5) GNMA GUARANTY FEE.—To carry out the
7 purposes of this section, the Association may collect
8 guaranty fees consistent with section 306(g)(1) of
9 the National Housing Act (12 U.S.C. 1721(g)(1))
10 that are paid at securitization.

11 (d) DEFINITIONS.—In this section:

12 (1) ASSOCIATION.—The term “Association”
13 means the Government National Mortgage Associa-
14 tion.

15 (2) COVERED MORTGAGE LOAN.—

16 (A) HUD.—The term “covered mortgage
17 loan” means, for purposes of the Program es-
18 tablished by the Secretary of Housing and
19 Urban Development, a mortgage loan that—

20 (i) is insured or guaranteed by the
21 Federal Housing Administration pursuant
22 to section 203(b) of the National Housing
23 Act (12 U.S.C. 1709(b)), subject to the eli-
24 gibility criteria set forth in this subsection,

1 and has a case number issued on or before
2 December 31, 2027;

3 (ii) is made for an original term of 20
4 years or for an original term determined
5 by the Secretary to be necessary to develop
6 liquidity for securities backed by covered
7 mortgage loans and expand Program par-
8 ticipation by eligible homebuyers;

9 (iii) subject to subparagraph (C) of
10 this paragraph and notwithstanding sec-
11 tion 203(b)(2)(C) of the National Housing
12 Act (12 U.S.C. 1709(b)(2)(C)), has a
13 mortgage insurance premium of not more
14 than 4 percent of the loan balance that is
15 paid at closing, financed into the principal
16 balance of the loan, paid through an an-
17 nual premium, or a combination thereof;

18 (iv) involves a rate of interest that is
19 fixed over the term of the mortgage loan;
20 and

21 (v) is secured by a single-family resi-
22 dence that is the principal residence of an
23 eligible homebuyer.

24 (B) USDA.—The term “covered mortgage
25 loan” means, for purposes of the Program es-

1 tablished by the Secretary of Agriculture, a loan
2 guaranteed under section 502(h) of the Hous-
3 ing Act of 1949 (42 U.S.C. 1472(h)) that—

4 (i) notwithstanding section
5 502(h)(7)(A) of the Housing Act of 1949
6 (42 U.S.C. 1472(h)(7)(A)), is made for an
7 original term of 20 years or for an original
8 term determined by the Secretary to be
9 necessary to develop liquidity for securities
10 backed by covered mortgage loans and ex-
11 pand Program participation by eligible
12 homebuyers; and

13 (ii) subject to subparagraph (C) of
14 this paragraph and notwithstanding sec-
15 tion 502(h)(8)(A) of the Housing Act of
16 1949 (42 U.S.C. 1472(h)(8)(A)), has a
17 loan guarantee fee of not more than 4 per-
18 cent of the principal obligation of the loan.

19 (C) WAIVER OF MORTGAGE INSURANCE
20 PREMIUM REQUIREMENT.—Each Secretary, in
21 consultation with the Secretary of the Treasury,
22 and notwithstanding section 502(h)(8)(A) of
23 the Housing Act of 1949 (42 U.S.C.
24 1472(h)(8)(A)) for purposes of the Program es-
25 tablished by the Secretary of Agriculture, may

1 waive the mortgage insurance premium cap or
2 loan guarantee fee cap under subparagraphs
3 (A)(iii) and (B)(ii) with respect to covered
4 mortgage loans insured or guaranteed by the
5 Loan Guarantee Agency of which that Sec-
6 retary is the head if necessary to protect the
7 solvency of the associated insurance fund.

8 (3) DEPARTMENT.—Unless otherwise specified,
9 the term “Department” means the Department of
10 Housing and Urban Development or the Department
11 of Agriculture, as appropriate.

12 (4) ELIGIBLE HOMEBUYER.—The term “eligible
13 homebuyer” means an individual who—

14 (A) for purposes of the Program estab-
15 lished by the Secretary of Housing and Urban
16 Development—

17 (i) has an annual household income
18 that is less than or equal to—

19 (I) 120 percent of median income
20 for the area, as determined by the
21 Secretary of Housing and Urban De-
22 velopment for—

23 (aa) the area in which the
24 home to be acquired using such
25 assistance is located; or

1 (bb) the area in which the
2 place of residence of the home-
3 buyer is located; or

4 (II) if the homebuyer is acquiring
5 an eligible home that is located in a
6 high-cost area, 140 percent of the me-
7 dian income, as determined by the
8 Secretary, for the area within which
9 the eligible home to be acquired using
10 assistance provided under this section
11 is located;

12 (ii) is a first-time homebuyer, as de-
13 fined in paragraph (6) of this subsection;
14 and

15 (iii) is a first-generation homebuyer as
16 defined in paragraph (5) of this subsection;

17 (B) for purposes of the Program estab-
18 lished by the Secretary of Agriculture—

19 (i) meets the applicable requirements
20 in section 502(h) of the Housing Act of
21 1949 (42 U.S.C. 1472(h)); and

22 (ii) is a first-time homebuyer as de-
23 fined in paragraph (6) of this subsection
24 and a first-generation homebuyer as de-
25 fined in paragraph (5) of this subsection.

1 (5) FIRST-GENERATION HOMEBUYER.—The
2 term “first-generation homebuyer” means a home-
3 buyer that, as attested by the homebuyer, is—

4 (A) an individual—

5 (i) whose living parents or legal
6 guardians do not, to the best of the indi-
7 vidual’s knowledge, have any present fee
8 simple ownership interest in a principal
9 residence in any State, excluding owner-
10 ship of heir property;

11 (ii) if no parents or legal guardians
12 are living upon acquisition of the eligible
13 home to be acquired using such assistance,
14 to the best of the individual’s knowledge,
15 whose parents or legal guardians did not
16 have any ownership interest in a principal
17 residence in any State at the time of their
18 death, excluding ownership of heir prop-
19 erty; and

20 (iii) whose spouse, or domestic part-
21 ner has not, during the 3-year period end-
22 ing upon acquisition of the eligible home to
23 be acquired using such assistance, had any
24 present ownership interest in a principal
25 residence in any State, excluding owner-

1 ship of heir property, whether the indi-
2 vidual is a co-borrower on the loan or not;
3 or

4 (B) an individual who has at any time
5 been placed in foster care or institutional care
6 whose spouse or domestic partner has not, dur-
7 ing the 3-year period ending upon acquisition of
8 the eligible home to be acquired using such as-
9 sistance, had any ownership interest in a prin-
10 cipal residence in any State, excluding owner-
11 ship of heir property, whether such individuals
12 are co-borrowers on the loan or not.

13 (6) FIRST-TIME HOMEBUYER.—The term “first-
14 time homebuyer” means a homebuyer as defined in
15 section 104 of the Cranston-Gonzalez National Af-
16 fordable Housing Act (42 U.S.C. 12704), except
17 that ownership of heir property shall not be treated
18 as owning a home for purposes of determining
19 whether a borrower qualifies as a first-time home-
20 buyer.

21 (7) HEIR PROPERTY.—The term “heir prop-
22 erty” means residential property for which title
23 passed by operation of law through intestacy and is
24 held by 2 or more heirs as tenants in common.

1 (8) LOAN GUARANTEE AGENCY.—Unless other-
2 wise specified, the term “Loan Guarantee Agency”
3 means the Federal Housing Administration of the
4 Department of Housing and Urban Development or
5 the Rural Housing Service of the Department of Ag-
6 riculture, as appropriate.

7 (9) SECRETARY.—Unless otherwise specified,
8 the term “Secretary” means the Secretary of Hous-
9 ing and Urban Development or the Secretary of Ag-
10 riculture, as appropriate.

11 (e) RELIANCE ON BORROWER ATTESTATIONS.—No
12 additional documentation beyond the borrower’s attesta-
13 tion shall be required to demonstrate eligibility under
14 paragraph (4) of subsection (d) and no State, eligible enti-
15 ty, or creditor shall be subject to liability, including mone-
16 tary penalties or requirements to indemnify a Federal
17 agency or repurchase a loan that has been sold or
18 securitized, based on the provision of assistance under this
19 section to a borrower who does not meet the eligibility re-
20 quirements under paragraph (4) of subsection (d) if the
21 creditor does so in good faith reliance on borrower attesta-
22 tions of eligibility required under such paragraph.

23 (f) IMPLEMENTATION.—The Secretary of Housing
24 and Urban Development, the Secretary of Agriculture,
25 and the Secretary of the Treasury shall have authority to

1 issue such regulations or other notices, guidance, forms,
2 instructions, and publications as may be necessary or ap-
3 propriate to carry out the programs, projects, or activities
4 authorized under this section, including to ensure that
5 such programs, projects, or activities are completed in a
6 timely and effective manner.

7 (g) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to the Secretary of
9 Housing and Urban Development and the Secretary of
10 Agriculture such sums as may be necessary to carry out
11 the LIFT HOME Program.