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Home Improvement Loan Modernization Act

HUD's Title I home improvement loans have a long history of supporting low and middle income homeowners and tenants. Authorized in 1934, the Title I loan program is one of our nation's oldest tools for catalyzing investment in real property and assisting residents in making critical improvements to their home.

Today these loans are used for a host of reasons, including:

- to improve home fire safety, ensure accessibility for disabled individuals
- to improve home energy efficiency
- to install features to allow for the elderly to age in place

Unfortunately, Congress has not acted to significantly modernize this program since 1992, creating impediments in recent years for borrowers, lenders, and the Federal Housing Administration (FHA).



Homeowners can incur high up-front costs when improving home energy efficiency or renovating a home to be suitable for an elderly occupant. Ensuring that low- and middle-income homeowners and tenants have access to capital for these improvements will become increasingly important in the years ahead, particularly as the housing market recovers and mortgage rates rise. Investments in our housing stock create local jobs and support the small businesses that take on a majority of single family home contracting and improvements.

Congress should act now to support long-term, private investment in our nation's housing sector and local small businesses. Please join Congressman Huffman in supporting the Home Improvement Loan Modernization Act.

Bill summary

The Home Improvement Loan Modernization Act will improve and modernize the Title I home and property improvement loan program, which was last modified in 1992, by:

- Updating loan limits to account for inflation since 1992 and indexing Title I loan limits to inflation for future years.
- Providing FHA with authority to ensure any additional risk associated with these loans is properly offset.
- Incentivizing home energy efficiency improvements, including the installation of photovoltaic panels, house weatherization, and the purchase of efficient HVAC systems.