



2026 MBA National Advocacy Conference: Thoughts from Massachusetts

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About the MMBA

The Massachusetts Mortgage Bankers Association (MMBA) is the Commonwealth's trade association representing the real estate finance industry. Founded in 1974, the MMBA is the largest mortgage association in New England and is one of the most successful in the country. The association works to ensure the continued strength of the Commonwealth's residential real estate markets; to expand homeownership prospects through affordability; and to extend access to affordable housing. The MMBA promotes fair and ethical lending practices and promotes excellence and integrity among real estate finance professionals through a wide range of educational programs, advocacy and industry-wide publication.

The Massachusetts Mortgage Bankers Association (MMBA) represents 165 lending institutions made up of equal representation between depository institutions (banks and credit unions) and non-depository institutions (independent mortgage banker companies, mortgage brokers and all ancillary companies) which facilitate mortgage transactions throughout the Commonwealth.

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21st Century "ROAD to Housing" Legislation

We support a bipartisan housing bill that aims to increase housing supply and make homes more affordable.

This legislation takes important steps—like reducing regulatory barriers, supporting manufactured housing, and modernizing loan programs—but **a few parts need to be fixed before it becomes law.**

Some provisions, as written, could:

- Limit investment in rental housing
- Reduce access to affordable financing
- Add unnecessary costs and requirements

Action Needed:

✓ **Support "ROAD to Housing" Act (H.R.6644 as amended and passed by the senate – with appropriate modifications. (this bill combined elements of S.2651/Scott/Warren and H.R.6644 (Hill/Waters).**

✓ **Several Provisions require refinement to avoid unintended consequences including:**

- **Section 101:** Creates overly broad counseling requirements and misallocates funding. FHA should not be required to fund non-FHA programs.
- **Section 213:** May unintentionally reduce access to financing for multifamily housing. Congress should restore the House-passed language.
- **Section 602:** Adds duplicative requirements that increase costs without clear benefit
- **Section 901:** Could limit investment in rental housing through overly-broad limits; needs an exception for multifamily community exemption.

Mortgage Regulatory Reform

We support the Administration's recent Executive Order calling for modernization of outdated mortgage regulations that increase costs and limit access to credit.

Many current rules—some written decades ago—no longer reflect today's technology or lending environment and create unnecessary complexity for both lenders and borrowers.

While the Executive Order is a step in the right direction, it currently focuses on only certain lenders. All consumers should benefit from these reforms, regardless of where they obtain a mortgage.

Mortgage Regulatory Reform (cont.)

Action Needed:

Congress should closely monitor implementation to ensure reforms

- ✓ **Apply reforms to all lenders and all borrowers**
- ✓ **Ensure regulators move quickly to implement the Executive Order**
- ✓ **Update outdated laws such as RESPA, to reflect today's market**

Secondary Mortgage Market/GSE Policies

Our industry stands ready to work with Treasury, FHFA, and Congress on any efforts to transition Fannie Mae and Freddie Mac out of conservatorship.

Any reforms must **protect and preserve the current secondary mortgage market**, which is essential to maintaining the 30-year fixed-rate mortgage and ensuring access to affordable homeownership.

Action Needed:

✓ **Collaborate with industry stakeholders on specific GSE reform initiatives and program changes such as:**

- **Ending tri-merge credit reporting:** Allow use of a single credit report for qualified borrowers to reduce costs and increase competition.
- **Establishing a federal MBS backstop:** Critical for market stability and investor confidence
- **Strengthening FHFA oversight:** Ensure transparency, a level playing field, and continued support for affordable housing
- **Protecting the secondary market:** Maintain liquidity, ensure private capital participation, and preserve access for lenders of all sizes

Tax Policies to Improve Housing Affordability & Supply

The current housing shortage is driving up costs and limiting access to homeownership. Thoughtful tax policies can help encourage investment, increase housing production, and improve market mobility.

Action Needed:

- ✓ **Preserve current capital gains tax treatment** to maintain incentives for housing investment and development
- ✓ **Update the home sale capital gains exclusion (H.R.1340 - Reps Kelly & Pancetta/S.3332 Sen Cornyn & Bennet)** to reflect today's market and reduce barriers to selling and moving. Doubling and indexing the outdated \$250K/\$500K would strengthen homeownership as a wealth building tool.
- ✓ **Enact the Neighborhood Homes Investment Act (NHIA) (H.R. 2854 Reps Kelly & Larson/S.1686 Sen Young & Warner)** to revitalize communities and expand entry-level housing supply

Targeted tax policies are a critical tool to increase housing supply, reduce costs, and expand homeownership opportunities.

Artificial Intelligence (AI) in the Mortgage Industry

AI has been used in mortgage lending for decades to improve efficiency, accuracy, and access to credit. These existing systems are well-regulated and deeply integrated into the financial services framework.

Action Needed:

- ✓ Support a **federal framework for AI** with strong state preemption to ensure consistency
- ✓ Focus legislation on **emerging risks from generative AI**, such as misleading or harmful content
- ✓ Avoid unnecessary regulation of **existing, well-established AI systems** used in mortgage lending

A targeted approach will allow continued innovation while addressing real risks—benefiting both consumers and the housing finance system.

Data Privacy/Security

The mortgage industry supports strong data privacy protections to ensure consumers are not exposed to fraud or misuse of their personal information. At the same time, responsible use of data is essential to maintaining efficient, accurate, and accessible mortgage origination.

Action Needed:

- ✓ Support a **federal data privacy framework** that protects consumers while allowing responsible data use
- ✓ Ensure new requirements **do not disrupt or delay the mortgage process**
- ✓ Oppose a **private right of action**, which could increase costs and litigation without improving consumer outcomes

We stand ready to work with Congress to develop balanced data privacy policies that protect consumers and support a well-functioning housing finance system.

False Claims Act (FCA)

The FCA plays an important role in protecting taxpayers from fraud, waste, and abuse. However, in its current application, lenders can face severe penalties for minor or immaterial errors, creating significant risk in government lending programs.

Proposed legislative changes could further expand liability and increase uncertainty, discouraging lender participation in these programs.

Action Needed:

- ✓ Oppose any expansion of the FCA that **increases penalties for immaterial errors**
- ✓ Ensure enforcement is **fair and proportionate**, focused on actual fraud
- ✓ Avoid changes that would **discourage lender participation** in FHA, VA, and USDA programs

Expanding FCA liability would reduce participation in critical housing programs and limit access to affordable mortgage options for consumers.