NATIONAL ASSOCIATION OF REALTORS®

ADVOCACY GROUP
Shannon McGahn
Chief Advocacy Officer

November 23, 2026

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Re: Restrictions on Large Institutional Investor Purchases of Single-Family Homes; Docket No. TREAS-DO-2026-0529; RIN 1505-AC96

Dear Secretary Bessent:

The National Association of REALTORS® (NAR), representing more than 1.4 million members involved in all aspects of the residential and commercial real estate industries, appreciates the opportunity to comment on the Department of the Treasury's proposed rule implementing section 1001 of the 21st Century ROAD to Housing Act (ROAD Act).

NAR supports a balanced approach to institutional investor activity that protects opportunities for homeownership while recognizing the role investors play in the housing market. As Treasury implements the ROAD Act, the regulations should focus on the largest institutional investors, preserve opportunities for individual homebuyers to compete for existing homes, and improve transparency regarding institutional ownership and acquisitions.

I. Keep the Definition of Large Institutional Investor Focused on the Largest Investors

Congress established a threshold of investment control over at least 350 single-family homes for determining which entities may be subject to the prohibition. NAR supports a clear, narrowly tailored definition that focuses on large institutional investors without inadvertently capturing individual investors, family-owned entities, nonprofits, community land trusts, and smaller businesses.

Proposed sections 36.2 and 36.16 address how property control rights and passive investment interests are treated when determining whether an entity meets the statutory threshold. NAR appreciates Treasury's effort to distinguish between investors that exercise meaningful control over single-family homes and those that hold more limited ownership interests.

Smaller investors may participate in partnerships, limited liability companies, or other arrangements that provide investors with certain contractual protections without giving them authority over property acquisition or disposition decisions. In response to Question 4, NAR encourages Treasury to provide additional clarity on which rights constitute property control rights, including examples that distinguish ordinary investor protections from authority over substantive property decisions.

Clear standards would help smaller investors understand their obligations and avoid being inadvertently included in the holdings of larger entities. At the same time, NAR supports counting properties held across entities under common control, consistent with the statute's focus on large institutional portfolios.

II. Preserve Opportunities for Owner-Occupants to Purchase REO and Distressed Homes

NAR is concerned that proposed sections 36.9(b) and 36.10(b)(2) could create a broad pathway for large institutional investors to acquire existing single-family homes through foreclosure and other default-related transactions. While the ROAD Act appropriately allows lenders, mortgage servicers, and other entities to acquire properties through foreclosure, deeds-in-lieu of foreclosure and certain other transactions involving borrower default, the proposed rule would also permit large institutional investors to purchase homes directly or indirectly from those entities, potentially circumventing the law's purchase prohibition.

This concern is informed by the experience following the 2008 financial crisis, when large institutional investors acquired substantial numbers of foreclosed and distressed homes. While these acquisitions helped absorb distressed inventory in some markets, they also contributed to the transfer of formerly owner-occupied homes into institutional rental portfolios.

For this reason, NAR supports a balanced approach. Reasonable first-look periods and preferential access to real estate owned (REO) and foreclosure inventory can give owner-occupants a meaningful opportunity to compete for these properties while preserving a role for investors when owner-occupant demand is absent.

In Questions 101 and 106, Treasury requests comment on whether conditions should apply to indirect purchases under proposed sections 36.9 and 36.10. NAR encourages Treasury to:

- Preserve meaningful first-look opportunities for owner-occupants in connection with indirect purchases of REO, foreclosure, and other distressed inventory by large institutional investors, including through coordination with HUD, FHFA, VA, USDA, and other federal agencies responsible for disposing of these properties; and
- To preserve the above-referenced first-look opportunities for owner-occupants, clarify the limits of the indirect-purchase exceptions to prevent large institutional investors from circumventing the purchase prohibition through transactions involving lenders, servicers, bulk sales, or other intermediaries.

III. Ensure Homeownership Programs Provide Meaningful Opportunities for Buyers

The ROAD Act permits certain acquisitions through programs intended to help renters become homeowners. These programs may include rent-to-own or lease-purchase arrangements, programs that provide renters with financial support toward purchasing a home, and programs that give renters a right of first refusal or first-look opportunity to purchase the home they occupy. Proposed sections 36.7 and 36.8 establish requirements for these programs, including financial support for purchases.

NAR supports efforts to create meaningful pathways from renting to homeownership. These programs should offer renters a realistic opportunity to purchase homes and build equity, with safeguards against arrangements that impose significant financial obligations without a reasonable prospect of achieving homeownership.

Financial assistance offered through these programs must also provide a practical benefit to prospective buyers. Treasury acknowledges that support provided by an investor selling a home may be subject to mortgage underwriting restrictions, including limitations on interested-party contributions. As a result, certain forms of assistance may not qualify toward a buyer's down payment.

To address this concern, NAR encourages Treasury to coordinate with HUD and FHFA to clarify how financial support under these programs can be used toward eligible purchase expenses, including closing costs, or provided through purchase price concessions. This would help ensure that the assistance contemplated by the rule provides a meaningful benefit to prospective homebuyers.

NAR also supports the proposed requirement that a renter's purchase be subject to customary closing conditions applicable to an owner-occupant purchaser. This recognizes the importance of financing, inspections, appraisals, and other customary requirements in completing a home purchase.

IV. Improve Transparency Regarding Institutional Ownership and Acquisitions

Reliable information about institutional investor activity is essential to understanding its effects on housing markets. Treasury acknowledges that it currently lacks sufficient data to determine how many entities may be affected by the proposed rule. Properties held through multiple affiliated entities can make it difficult to identify the extent of institutional holdings and where acquisitions are concentrated.

NAR supports greater transparency and improved data collection on institutional ownership and acquisition activity. As Treasury and HUD develop reporting requirements under section 1001, NAR encourages the agencies to collect and make publicly available aggregated information on institutional holdings and acquisitions, including their geographic distribution and purchases made pursuant to statutory exceptions. Such

information would help federal policymakers evaluate the law's effectiveness. It would also help state and local governments, REALTOR® associations, and other stakeholders better understand institutional investor activity in their markets and develop locally tailored responses.

Conclusion

NAR appreciates the opportunity to comment on this proposed rule and encourages Treasury to implement the law in a way that protects opportunities for homeownership while avoiding unintended consequences for smaller investors. We look forward to working with Treasury and other federal agencies as implementation moves forward.

If you have any questions, please contact Elayne Weiss, Senior Policy Advisor for Federal Financing and Housing, at eweiss@nar.realtor.

Sincerely,



Christine Hansen
2027 President, National Association of REALTORS®