PRIVATE EQUITY STAKEHOLDER PROJECT

November 23, 2026

Ethan Fallang
Deputy Assistant Secretary for Capital Markets
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

RE: Department of the Treasury, 21st Century ROAD to Housing Act Prohibition on Large Institutional Investor Purchases of Single-Family Homes; Docket TREASDO-2026-0529; RIN 1505-AC96

Dear Assistant Secretary Fallang,

The Private Equity Stakeholder Project (PESP) is a non-profit financial watchdog organization that seeks to bring transparency and accountability to the private equity industry for the benefit of impacted communities and investors.

We appreciate this opportunity to respond to the Department of Treasury's ("Treasury") proposed regulations ("Proposal") implementing the 21st Century ROAD to Housing Act ("ROAD"). As the most ambitious federal housing legislation enacted in decades, ROAD's implementation can potentially form the basis of a strong solution to our nation's housing affordability crisis by restraining the corporate consolidation of single-family homes.

However, potential loopholes in the legislation may allow institutional investors to circumvent the legislative purpose of Section 1001 ("Homes Are for People, Not Corporations."). Rather than close these loopholes, Treasury's proposed implementation of the Renovate-to-Rent and Homeownership Program exceptions expands the opportunities for corporations to purchase single-family homes beyond what was contemplated by Congress.

We therefore urge Treasury to refrain from unnecessarily expanding the following exceptions for corporate investors:

PRIVATE EQUITY STAKEHOLDER PROJECT

Section 36.6: Renovate-to-Rent Exception

Under ROAD's definition of "excepted purchase,"[1] corporate investors may purchase single-family homes under certain conditions. One such condition is if the purchase is connected to a "renovate-to-rent" program. To qualify, this exception requires a corporate investor to make improvements to the home equal to 15 percent of its purchase price.[2]

However, Treasury's Proposal seeks to widen this exception by (1) distorting the value of the single-family home through separating the value of the structure from that of the land in the definition of "purchase price", and (2) creating a safe harbor for making smaller renovations to "structural or core systems." In both cases, we are concerned these changes will result in corporate landlords being able to acquire homes while making only limited renovations, circumventing the intent of the legislation.

For the purposes of this calculation, bifurcating the value of the property will result in a smaller purchase price, and the 15 percent requirement would be applied to that smaller amount. The 10 percent safe harbor exception likewise decreases the effort required for renovations by letting corporate landlords off the hook for doing them on the cheap. If they can make the necessary renovations for 10 percent of the bifurcated purchase price, they will be disincentivized from spending funds on quality materials and labor if the bare minimum can be accomplished for less.

Therefore, Treasury should not add new meaning to what Congress intended beyond the plain language of ROAD. The "purchase price" of the single-family home should retain its generally accepted meaning and include the value of the entire property,[3] and corporate investors should pay the full 15 percent on renovations to qualify the exception rather than receive safe harbor for doing less.

Additionally, in response to Question 41 in the Proposal, Treasury should complete renovations equivalent to 15 percent of the purchase price prior to renting the home. Given that the renovations are principally to address issues with "structural or core systems," the corporate landlord should ensure the safety and livability of the home prior to occupancy by completing the renovations first. Further, compliance with the requirements for this exception will be difficult to enforce without prescribing a timeline for completion.

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[1] 42 U.S.C. § 19521(a)(2).

[2] 42 U.S.C. § 19521(a)(2)(C).

[3] *See* National Housing Act, 12 U.S.C. § 1707(a), (g).

Section 36.7(b): Homeownership Program Exception

Another exception in ROAD is that a corporate investor may purchase a single-family home in connection with a "homeownership program." To qualify for this exception, the corporate landlord must provide "meaningful financial support" to the tenant seeking to purchase their residence.[4] However, the amounts Treasury prescribes for such support are quite low compared to the national median cost of a single-family home.

The Proposal defines "meaningful financial support" as the lesser of $5,000 or 2.5 percent of the purchase price for a 5-year tenancy, and 3.5 percent for a 7-year tenancy. Since the median purchase price of a single-family home is around $400,000,[5] this all but guarantees that aspiring homeowners will receive the lesser amount of $5,000.

Additionally, Treasury's Proposal seeks to establish 5-year and 7-year waiting periods for residents to access "meaningful financial support" from the corporate investor, which is not required under ROAD. This additional hurdle to homeownership undermines the purpose of Section 1001 to transfer homes from Wall Street investors to Main Street homebuyers. It also means that by the time this "meaningful financial support" reaches the tenant, they will likely have paid over $135,000in rent to the landlord.[6]

Instead of interpreting the statute to promote longer tenancies, Treasury should restore the purpose of this exception by removing the waiting period requirement.

We are also concerned that the proposed rule would enable corporate landlords to unilaterally terminate such meaningful financial support for an alleged breach of lease or material damage to the property without requiring the landlord to provide evidence or enabling the resident to argue their case.

Taken together, the proposed rule offers too little to promote homeownership, makes residents wait far too long, and makes it too easy for landlords to take that minimal assistance away.

Conclusion

Thank you again for the opportunity to provide comment in response to the Proposal. Confronting the issue of housing consolidation by corporate investors is essential to addressing

[4] 42 U.S.C. § 19521(a)(2)(D).

[5] Leidy, Levi. "Median Home Price by State: How Much Do Houses Cost?" *Forbes Advisor*, 10 Nov. 2026, https://www.forbes.com/advisor/mortgages/real-estate/median-home-prices-by-state/.

[6] Based on Zillow average home rent of $2,266 as of October 2026 x 60 months. "Renting a House vs. an Apartment: Pros and Cons," Oct 25, 2026, https://www.zillow.com/learn/rent-a-house-vs-apartment/.

PRIVATE EQUITY STAKEHOLDER PROJECT

our housing affordability crisis. We therefore urge Treasury to work on closing the loopholes that may allow corporate investors to circumvent the legislative intent of ROAD rather than expanding them.

Sincerely,



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Private Equity Stakeholder Project