

H.R. 3154, Homeownership for DREAMers Act

As ordered reported by the House Committee on Financial Services on June 11, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	n.e.
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

n.e. = not estimated; * = between -\$500,000 and zero.

H.R. 3154 would clarify that noncitizens in deferred action status under the Deferred Action for Childhood Arrivals (DACA) program are eligible to obtain federally guaranteed mortgages for single-family homes. Most federal mortgage guarantees are offered by the Federal Housing Administration (FHA), and two government-sponsored enterprises (GSEs)—Fannie Mae and Freddie Mac. FHA guidelines are not explicit about the eligibility of those with DACA status for its mortgage guarantee program, but FHA requires mortgage lenders to determine the likelihood that a noncitizen’s work authorization will be renewed when evaluating the risk of issuing a mortgage that will be guaranteed by FHA.

The Administration has proposed to terminate the DACA program that currently provides lawful presence and work authorization to nearly 700,000 inadmissible or deportable aliens. That policy proposal is currently subject to a nationwide injunction but CBO’s baseline incorporates the assumption that the Administration’s proposed policy will be implemented by October 1, 2021. If that occurs, deferred-action status under DACA will be revoked, including the authorization of those noncitizens to work legally in the United States.

CBO estimates that enacting H.R. 3154 could have an insignificant effect on spending subject to appropriation over the 2019-2024 period. Although more borrowers might seek an FHA guaranteed mortgage under the bill, those applicants would continue to face the financial risk of the pending termination of DACA and their right to work legally in the United States. CBO estimates that enacting H.R. 3154 would not change how lenders



evaluate that risk when determining whether to issue mortgages to those with DACA status. Thus, CBO expects that enacting H.R. 3154 would not lead to a significant increase in the number or value of federal mortgage guarantees.

Under current law, the GSEs treat certain noncitizens as eligible to obtain mortgage guarantees. Using information from the GSEs, and their regulator, the Federal Housing Finance Administration, CBO estimates that implementing the bill would not affect mortgage guarantees issued by the GSEs because DACA recipients already are explicitly eligible for mortgages under those programs.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.