

Housing Provisions in the Consolidated Appropriations Act, 2021 (P.L. 116-260)

February 10, 2021

The Consolidated Appropriations Act, 2021 (P.L. 116-260, enacted on December 27, 2020) contains regular annual appropriations for housing and homelessness programs in the U.S. Department of Agriculture (USDA), the U.S. Department of Housing and Urban Development (HUD), and the U.S. Department of Veteran Affairs (VA). The act also contains numerous additional housing provisions, including emergency provisions in response to the Coronavirus Disease 2019 (COVID-19) pandemic.

This Insight serves as a guide to outline housing provisions contained in P.L. 116-260. It includes links to other CRS products pertaining to some programs discussed below. This Insight will be updated as additional CRS products become available. Note that links to legislative text are currently to the enrolled bill and will be updated when the public law text is available.

Division A – Agriculture, Rural Development, Food and Drug Administration, and Related Appropriations Act, 2021

Title III – Rural Development Programs

[Title III of Division A](#) contains FY2021 appropriations for the Rural Housing Service (RHS).

Division H – Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2021

Title V – General Provisions

[Section 533](#) provides \$638 million to carry out a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program, in response to the COVID-19 pandemic.

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Division J – Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2021

Title II – Department of Veteran Affairs

[Title II of Division J](#) includes FY2021 appropriations for veteran housing loan programs and programs serving veterans who are experiencing homelessness. (The [Joint Explanatory Statement](#) contains details for homeless veteran programs.)

Division L – Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2021

Title II – Department of Housing and Urban Development

[Title II of Division L](#) contains FY2021 appropriations for the Department of Housing and Urban Development (HUD).

Title III – Related Agencies

[Title III of Division L](#) contains FY2021 appropriations for the Neighborhood Reinvestment Corporation (NeighborWorks America) and the United States Interagency Council on Homelessness (USICH).

Title IV – General Provisions

[Title IV of Division L](#) contains general provisions affecting various housing-related programs and accounts.

Division N – Additional Coronavirus Response and Relief

Title III – Continuing the Paycheck Protection Program and Other Small Business Support

[Section 316](#) amends Section 7(a)(36) of the Small Business Act to make housing cooperatives eligible for participation in the Paycheck Protection Program (PPP).

Title V – Banking

Subtitle A – Emergency Rental Assistance

[Section 501](#) provides \$25 billion to the Treasury Department for grants to states and localities to fund emergency rental assistance.

[Section 502](#) extended the Centers for Disease Control and Prevention (CDC) order to temporarily halt residential evictions for covered renters through January 31, 2021.

[Section 542](#) provides temporary authority for HUD to insure 223(d) operating loss loans for eligible healthcare facilities with existing mortgages insured through the Federal Housing Administration's Section 232 Mortgage Insurance for Residential Care Facilities program or the Section 242 Mortgage Insurance for Hospitals program that are experiencing COVID-19-related losses.

Division Q – Financial Services Provisions and Intellectual Property

Title I – Financial Services Provisions

[Section 101](#) requires that carbon monoxide alarms or detectors be installed in certain federally assisted housing units, effective two years from the date of enactment (December 27, 2022). This includes an authorization of \$101.4 million in appropriations per annum for fiscal years 2021, 2022, and 2023.

[Section 102](#) makes Indian Tribes and tribally designated housing entities (TDHEs) eligible to receive homeless assistance grants through the Continuum of Care (CoC) program.

[Section 103](#) makes a number of changes to the way former foster youth access federal rental assistance.

[Section 104](#) requires HUD to renew all CoC projects with grant awards expiring in calendar year 2021 for an additional 12 months on a noncompetitive basis. It also renews CoC planning and Unified Funding Agency awards expiring in calendar year 2021. HUD has [identified and published](#) programs that are eligible for noncompetitive renewal.

[Section 105](#) allows HUD to guarantee loans under the Section 184 Indian Home Loan Guarantee Program prior to receiving certain trailing documents, subject to certain conditions.

Division EE – Taxpayer Certainty and Disaster Tax Relief Act of 2020

Title I – Extension of Certain Expiring Provisions

Subsection B – Certain Provisions Extended Through 2025

[Section 114](#) extends the exclusion for canceled mortgage debt through the end of 2025. This extension also reduced the maximum amount of debt that qualifies for the exclusion.

- For additional information on this provision, see CRS In Focus IF11535, *The Tax Treatment of Canceled Mortgage Debt*, by Mark P. Keightley

Subtitle C – Extension of Certain Other Provisions

[Section 133](#) extends the ability to deduct mortgage insurance premiums through the end of 2021.

[Section 146](#) extends the energy efficient home credit to qualified homes purchased through the end of 2021.

Title II – Other Provisions

[Section 201](#) establishes a minimum rehabilitation credit rate of 4% for the Low Income Housing Tax Credit (LIHTC) program.

- For additional information on LIHTC, see CRS Report RS22389, *An Introduction to the Low-Income Housing Tax Credit*, by Mark P. Keightley

[Section 202](#) extends the reduced alternative depreciation system (ADS) recovery period to property placed in service prior to 2018. P.L. 115-97 (commonly referred to as the Tax Cuts and Jobs Act, or TCJA) reduced the ADS recovery period for certain electing real property trades or businesses from 40 years to 30 years for property placed in service after 2018.

Title III – Disaster Tax Relief

[Section 305](#) increases LIHTC state allocations in qualified disaster zones for calendar years 2021 and 2022.

Division FF – Other Matter

Title X – Bankruptcy Relief

[Section 1001](#) includes certain provisions related to mortgages and bankruptcy. Among other things, it allows certain debtors who have defaulted on their mortgage payments due to COVID-19 to obtain a discharge of their debts in bankruptcy even if they have failed to make certain payments required by their bankruptcy plan.

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