

Important Investments in Homeownership and Families in Build Back Better

November 19, 2021

President Biden's Build Back Better Act Passes House, More Must Be Done to Protect Expanded Child Tax Credits

WASHINGTON - Consumer advocates today praised the House passage of the Build Back Better Act. Along with the extension of the expanded Child Tax Credit and other big ticket items, the bill also includes less prominent but important investments in homeownership programs for first-generation homebuyers.

"Homeownership will be more achievable for many low- and moderate-income consumers under Build Back Better, especially for Black homeowners and other homeowners of color," said **Alys Cohen, staff attorney at the National Consumer Law Center**. "Inclusion of a new down payment assistance program in the bill is an important step toward removing systemic barriers that keep first-generation homebuyers from owning homes and building wealth."

The bill's \$10 billion for the Downpayment Toward Equity Act will create a first-generation down payment assistance program to enable people of color to purchase homes with sustainable mortgage credit. The \$5 billion for the Neighborhood Homes Investment Act will help revitalize distressed urban, suburban and rural neighborhoods through the use of federal income tax credits—mobilizing private investment to build and rehabilitate homes for low- and moderate-income homeowners. In addition, the bill includes crucial money toward fair housing enforcement, rural homeownership, and home repair programs, which will help homeowners avoid foreclosure by obtaining affordable funds for maintaining their homes.

By extending through 2022 the increase in the Child Tax Credit and the monthly advance payments, and making full refundability of the credit permanent, the bill is expected to result in historic reductions in child poverty and help families across the country put food on the table. An outstanding issue is whether the nearly 9 million borrowers in default on their federal student loans, most of whom are low-income and many of whom have young children, will be subject to seizure of their Child Tax Credits after the student loan payment pause ends in early 2022, pushing their families into poverty.

"The expansion of the Child Tax Credit is a historic victory against poverty, cutting child poverty by more than 40%," said **Abby Shafroth, staff attorney at the National Consumer Law Center**. "The next step is ensuring the benefit reaches these children, including the children of struggling student loan borrowers, when the federal student loan payment pause ends in 2022."