Banking and Finance Law Daily Wrap Up, COMMUNITY DEVELOPMENT—President Trump issues executive orders to promote home financing and construction, (Mar. 16, 2026)

Banking and Finance Law Daily Wrap Up

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Proponents of the orders hailed them as cutting out red tape and helping small banks and homeowners.

President Donald Trump issued a pair of executive orders intended to promote access to mortgage credit and remove regulatory barriers to home construction. Proponents of the Orders have praised the measures as beneficial to home consumers and small banks and credit unions.

Promoting access to mortgage credit. As discussed in a supplementary fact sheet, the President's order regarding mortgage credit access directs the Consumer Financial Protection Bureau and other federal agencies and regulators to increase credit for borrowers, strengthen community banking participation in lending, and decrease mortgage costs. The order sets forth a laundry list of proposed changes, including:

- directing the CFPB to tailor mortgage rules to enable smaller banks to facilitate more affordable lending;
- calling for federal banking regulators to center regulatory guidelines around prudent underwriting rather than technical process-oriented lending approaches;
- directing the CFPB to modernize the Home Mortgage Disclosure Act (HMDA) to reduce compliance burdens and protect borrower privacy;
- calling for federal banking regulators to engage in reforms to capital and liquidity rules to remove undue burdens on lending, such as tailoring risk weights to the material credit risk of the exposure, expanding access to longer-dated Federal Home Loan Bank (FHLB) advances tied to residential mortgage assets, and creating targeted FHLB liquidity programs for entry-level housing, owner-occupied purchase loans, and small residential builders;
- directing federal banking regulators to modernize appraisal regulations by, for example, expanding alternative valuation models, reducing unnecessary appraisal requirements for low-risk transactions, and setting clearer timelines for appraisals;
- enhancing digital mortgage modernization by expanding electronic signatures, e-notes, and remote online notarization; and
- mandating federal banking regulators to consider adopting new supervisory criteria that promote portfolio mortgage servicing as a core community banking function.

Reactions to order. House Committee on Financial Services Chairman French Hill (R-Ark.) and Subcommittee on Financial Institutions Chairman Andy Barr (R-Ky.) issued a joint statement praising the order. "Since the enactment of Dodd-Frank, community banks and credit unions have increasingly scaled back their mortgage lending due to burdensome and complex regulatory requirements," stated Hill. "[I]t is… important to recognize that strengthening community banks and credit unions– key providers of mortgages for many Americans – and expanding access to affordable housing are fundamentally connected." Barr credited the President with "restoring the American Dream of

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homeownership."

The American Bankers Association released its own statement in agreement with the order, noting, "The proposed regulatory changes would help remove some of the significant obstacles preventing many banks, especially community banks, from being able to fully participate in the mortgage market."

Consumer Bankers Association likewise endorsed the order, with President and CEO Lindsey Johnson releasing a statement terming the order "an important step to expand access to affordable mortgage credit for millions of hardworking Americans." Johnson further noted that "a more balanced, risk-based regulatory framework can help restore bank participation in mortgage lending while maintaining strong consumer protections."

The Independent Community Bankers of America also approved of the order, with a statement from President and CEO Rebeca Romero Rainey, which stated, "Directing federal regulators to advance pro-growth regulatory reforms will help community banks support housing affordability in local communities nationwide."

America's Credit Unions hailed the move as one that "will reduce regulatory obstacles to credit unions helping more Americans achieve the dream of homeownership."

Removing regulatory barriers to home construction. The other executive order, which is narrower in scope, directs the Environmental Protection Agency (EPA) to "review and revise requirements related to stormwater, wetlands, lakes, rivers, and other bodies of water to reduce housing construction and ownership costs, streamline regulatory and agency decision-making processes, reduce property tax burdens, and increase insurability, as appropriate and consistent with applicable law. "

The Secretary of Commerce, the Secretary of Housing and Urban Development, the Secretary of Transportation, and the Director of the Federal Housing Finance Agency (FHFA) are likewise directed to "[reform] programs that constrain residential development and impede housing affordability." Other portions task those groups with attempting to "eliminate unduly burdensome or costly energy-efficiency, water-use, or alternative-energy requirements regarding housing."

Likewise, other provisions concern permit requirements for residential developments and state and local regulatory best practices, as well as facilitating new residential construction in designated "opportunity zones."

Companies: American Bankers Association; America's Credit Unions; Consumer Bankers Association; Fannie Mae; Freddie Mac; Independent Community Bankers of America

RegulatoryActivity: BankingOperations CFPB CapitalBaselAccords CommunityDevelopment ConsumerCredit DoddFrankAct FinancialStability GCNNews GovernmentSponsoredEnterprises Loans Mortgages Privacy

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