

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S.**

To amend the Internal Revenue Code of 1986 to deny interest and depreciation deductions for certain taxpayers, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

introduced the following bill; which was read twice  
and referred to the Committee on

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**BILL**

To amend the Internal Revenue Code of 1986 to deny interest and depreciation deductions for certain taxpayers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “ American Homeowner-  
5 ship Act”.

6 **SEC. 2. DISALLOWANCE OF DEDUCTION FOR INTEREST**  
7 **PAID ON REAL PROPERTY OWNED BY CER-**  
8 **TAIN REAL PROPERTY OWNERS.**

9 (a) IN GENERAL.—Section 163 of the Internal Rev-  
10 enue Code of 1986 is amended by redesignating subsection

1 (n) as subsection (o) and by inserting after subsection (m)  
 2 the following new subsection:

3 “(n) INTEREST PAID ON RESIDENTIAL RENTAL  
 4 PROPERTY OWNED BY CERTAIN REAL PROPERTY OWN-  
 5 ERS.—

6 “(1) IN GENERAL.—No deduction shall be al-  
 7 lowed under this chapter for any interest paid or ac-  
 8 crued in connection with—

9 “(A) any applicable residential property in  
 10 which an institutional investment entity (di-  
 11 rectly or indirectly) holds a majority interest, or

12 “(B) single-family residential property in  
 13 which a large owner (directly or indirectly)  
 14 holds a majority interest.

15 “(2) EXCEPTION FOR SALES TO INDIVIDUALS  
 16 OR QUALIFIED NONPROFIT ORGANIZATIONS.—

17 “(A) IN GENERAL.—Paragraph (1) shall  
 18 not apply with respect to interest paid or ac-  
 19 crued in the taxable year in which applicable  
 20 residential property is sold.

21 “(B) EXCEPTION.—Subparagraph (A)  
 22 shall not apply unless the sale described in such  
 23 subparagraph is—

1 “(i) a sale to an individual for use as  
2 the principle residence of the individual  
3 (within the meaning of section 121), or

4 “(ii) a sale to any qualified nonprofit  
5 organization.

6 “(C) QUALIFIED NONPROFIT ORGANIZ -  
7 TION.—

8 “(i) IN GENERAL.—For purposes of  
9 this paragraph, the term ‘qualified non-  
10 profit organization’ means any organiza-  
11 tion which—

12 “(I) is not organized for profit,  
13 and

14 “(II) has as a principal purpose  
15 the creation, development, or preser-  
16 vation of affordable housing.

17 “(ii) CERTAIN ORGANIZATIONS IN-  
18 CLUDED.—The term ‘qualified nonprofit  
19 organization’ shall include—

20 “(I) any community development  
21 corporation (as defined in section  
22 204(b) of the Department of Veterans  
23 Affairs and Housing and Urban De-  
24 velopment, and Independent agencies



1           ment in accordance with State or local  
2           land bank enabling law, that has been des-  
3           ignated by one or more State or local gov-  
4           ernments to acquire, steward, and dispose  
5           of vacant, abandoned, or other problem  
6           properties in accordance with locally-deter-  
7           mined priorities and goals.

8           “(iv) COMMUNITY LAND TRUST.—For  
9           purposes of this subparagraph, the term  
1           ‘community land trust’ means a nonprofit  
11           entity, a State, a unit of local government,  
12           or an instrumentality of a State or unit of  
13           local government that—

14                   “(I) is not managed by, or an af-  
15                   filiate of, a for-profit organization,

16                   “(II) has as a primary purpose of  
17                   acquiring, developing, or holding land  
18                   to provide housing that is perma-  
19                   nently affordable to low- and mod-  
2                   erate-income persons,

21                   “(III) monitors properties to en-  
22                   sure affordability is preserved,

23                   “(IV) provides housing that is  
24                   permanently affordable to low- and  
25                   moderate-income persons using a

1 ground lease, deed covenant, or other  
2 similar legally enforceable measure,  
3 determined acceptable by the Sec-  
4 retary, that—

5 “(aa) keeps housing afford-  
6 able to low- and moderate-income  
7 persons for not less than 30  
8 years, and

9 “(bb) enables low- and mod-  
10 erate-income persons to rent or  
11 purchase the housing for home-  
12 ownership; and

13 “(V) maintains preemptive pur-  
14 chase options to purchase the prop-  
15 erty if such purchase would allow the  
16 housing to remain affordable to low-  
17 and moderate-income persons.

18 “(3) EXCEPTION FOR NEW SINGLE-FAMILY  
19 HOUSING.—

20 “( ) IN GENERAL.—In the case of a sin-  
21 gle-family residential property the original use  
22 of which begins with an eligible taxpayer after  
23 December 31, 2023, paragraph (1) shall not  
24 apply to interest paid or accrued by such eligi-  
25 ble taxpayer with respect to such property in

1 any taxable year during the 5-taxable year pe-  
2 riod beginning with the taxable year in which  
3 property is placed in service.

4 “(B) ELIGIBLE TAXPAYER.—For purposes  
5 of this paragraph, the term ‘eligible taxpayer’  
6 means the person who constructed the single-  
7 family residential property.

8 “(4) EXCEPTION FOR NEW MULTI-FAMILY  
9 HOUSING.—

1 “( ) IN GENERAL.—Paragraph (1) shall  
11 not apply to any multi-family residential prop-  
12 erty the original use of which begins with an el-  
13 igible taxpayer after December 31, 2023.

14 “(B) ELIGIBLE TAXPAYER.—For purposes  
15 of this paragraph, the term ‘eligible taxpayer’  
16 means the person who constructed the multi-  
17 family residential property.

18 “(C) MULTI-FAMILY RESIDENTIAL PROP-  
19 erty.—For purposes of this paragraph, the  
2 term ‘multi-family residential property’ means  
21 any applicable residential property which has 5  
22 or more dwelling units (as defined in section  
23 168(e)(2)( ) (ii)(I)).

24 “(5) EXCEPTION TO PRESERVE UNINHABIT-  
25 BLE HOUSING.—

1           “( ) IN GENERAL.—In the case of any in-  
2           terest paid or accrued with respect to debt  
3           which is incurred for the primary purpose of  
4           substantially rehabilitating previously uninhab-  
5           itable applicable residential property, paragraph  
6           (1) shall not apply to interest paid or accrued  
7           in any taxable year during the 5-taxable year  
8           period beginning with taxable year in which  
9           such debt is originally paid or accrued.

1           “(B) UNINHABITABLE.—For purposes of  
11           this paragraph, the term ‘uninhabitable’ means,  
12           with respect to applicable residential property,  
13           property that is not fit for human occupancy,  
14           contains serious defects posing risks to health  
15           or safety, or does not meet structural or core  
16           system elements of local building codes.

17           “(C) SUBSTANTIAL REHABILITATION.—  
18           For purposes of this paragraph, the term ‘sub-  
19           stantial rehabilitation’ means, with respect to  
2           applicable residential property, structural re-  
21           pairs or rebuilding, with the cost of rehabilita-  
22           tion generally being a significant portion of the  
23           property’s value after the work is completed.



1           “(ii) any other investment vehicle that  
2 pools funds exclusively from accredited in-  
3 vestors as defined in section 230.501 of  
4 title 17, Code of Federal Regulations (or  
5 any successor regulation).

6           “(B) LARGE OWNER.—

7           “(i) IN GENERAL.—For purposes of  
8 this subsection, the term ‘large owner’  
9 means any person who (directly or indi-  
10 rectly) holds a majority interest in single-  
11 family residential rental properties which  
12 in the aggregate contain 50 or more dwell-  
13 ing units.

14           “(ii) AGGREGATION RULES.—For pur-  
15 poses of this subparagraph, all persons  
16 treated as a single employer under sub-  
17 section (a) or (b) of section 52, or sub-  
18 section (m) or (o) of section 414, shall be  
19 treated as one taxpayer for purposes of  
20 this section.

21           “(iii) MODIFICATIONS.—

22           “(I) IN GENERAL.—For purposes  
23 of applying clause (ii)—

24           “(aa) section 52(a) shall be  
25 applied by substituting ‘compo-

1                   nent members’ for ‘members’,  
2                   and

3                   “(bb) for purposes of apply-  
4                   ing section 52(b), the term ‘trade  
5                   or business’ shall include any ac-  
6                   tivity treated as a trade or busi-  
7                   ness under paragraph (5) or (6)  
8                   of section 469(c) (determined  
9                   without regard to the phrase ‘To  
1                   the extent provided in regula-  
11                   tions’ in such paragraph (6)).

12                   “(II) COMPONENT MEMBER.—  
13                   For purposes of this subparagraph,  
14                   the term ‘component member’ has the  
15                   meaning given such term by section  
16                   1563(b), except that the determina-  
17                   tion shall be made without regard to  
18                   subparagraphs (B), (C), (D) or (E) of  
19                   paragraph (2) thereof.

2                   “(III) NO INFERENCE.—The  
21                   modifications made by subclause (I)  
22                   shall not be construed to create any  
23                   inference with respect to the proper  
24                   application of section 52 with respect  
25                   to any other provision of this title.

1                   “(C) PPLIC BLE RESIDENTI L PROP-  
2                   ERTY.—

3                   “(i) IN GENER L.—The term ‘applica-  
4                   ble residential property’ means any prop-  
5                   erty which is—

6                   “(I) residential rental property  
7                   (as defined in section 168(e)(2)( ) (i),

8                   “(II) a manufactured housing  
9                   community, or

1                   “(III) a manufactured home (as  
11                   defined in section 603 of the National  
12                   Manufactured Housing Construction  
13                   and Safety Standards ct of 1974 (42  
14                   U.S.C. 5402)) which is not residential  
15                   rental property (as so defined).

16                   “(ii) M NUF CTURED HOUSING COM-  
17                   MUNITY.—The term ‘manufactured hous-  
18                   ing community’ means a residential real  
19                   estate development with lots on which fac-  
2                   tory-built homes, including manufactured  
21                   homes, are located, together with sup-  
22                   porting infrastructure.

23                   “(D) SINGLE-F MILY RESIDENTI L PROP-  
24                   ERTY.—The term ‘single-family residential  
25                   property’ means any applicable residential prop-

1           erty which contains 4 or fewer dwelling units  
2           (as defined in section 168(e)(2)( ) (ii)(I)).

3           “(8) REGUL TIONS.—The Secretary shall pre-  
4           scribe such regulations as may be necessary or ap-  
5           propriate to carry out the purposes of this sub-  
6           section, including—

7                   “( ) regulations for identifying the  
8                   amount of interest paid or accrued in connec-  
9                   tion with applicable residential property and  
1                   single-family residential property, including any  
11                   interest paid or accrued through indirect fi-  
12                   nancing arrangements,

13                   “(B) regulations, in consultation with the  
14                   Secretary of Housing and Urban Development,  
15                   for identifying and, to the extent provided by  
16                   the Secretary, substantiating the amount of in-  
17                   terest paid or accrued with respect to debt  
18                   which is incurred for the primary purpose of  
19                   substantially rehabilitating previously uninhab-  
2                   itable applicable residential property under  
21                   paragraph (5), and

22                   “(C) regulations to prevent the avoidance  
23                   of the purposes of this subsection.”.

24           (b) PPLIC TION TO C PIT LIZED MOUNTS.—

## 14

1           (1) IN GENER L.—Section 263 (f)(2) of the  
 2 Internal Revenue Code of 1986 is amended by add-  
 3 ing at the end the following new subparagraph:

4           “(D) EXCEPTION FOR CERT IN INTEREST  
 5 OF CERT IN RE L PROPERTY OWNERS.—Sub-  
 6 paragraph ( ) shall not apply to any interest  
 7 for which a deduction would be disallowed  
 8 under section 163(n).”.

9           (2) C RRYING CH RGES.—Section 266 of such  
 1 Code is amended—

11           ( ) by striking “No deduction” and insert-  
 12 ing the following:

13           “(a) IN GENER L.—No deduction”, and

14           (B) by adding at the end the following new  
 15 subsection:

16           “(b) SPECI L RULE FOR CERT IN INTEREST OF  
 17 CERT IN RE L PROPERTY OWNERS.—No election may be  
 18 made under this section to treat as chargeable to capital  
 19 account any interest for which a deduction would be dis-  
 2 allowed under section 163(n).”.

21           (c) EFFECTIVE D TE.—The amendments made by  
 22 this section shall apply to taxable years beginning after  
 23 the date of the enactment of this ct.

1 **SEC. 3. DISALLOWANCE OF DEPRECIATION IN CONNECTION WITH PROPERTY OF CERTAIN REAL**  
 2 **PROPERTY OWNERS.**

4 (a) IN GENERAL.—Section 167 of the Internal Revenue Code of 1986 is amended by redesignating subsection  
 5 (i) as subsection (j) and by inserting after subsection (h)  
 6 the following new subsection:

8 “(i) DEDUCTION ALLOWED FOR CERTAIN REAL  
 9 PROPERTY OWNERS.—

1 “(1) IN GENERAL.—No deduction shall be allowed under this section for—

12 “(A) any applicable residential property  
 13 owned by an institutional investment entity, or

14 “(B) any single-family residential property  
 15 owned by a large owner.

16 “(2) EXCEPTIONS.—Rules similar to the rules  
 17 of paragraphs (2), (3), (4), (5), and (6) of section  
 18 163(n) shall apply for purposes of this subsection.

19 “(3) DEFINITIONS.—For purposes of this subsection—

21 “(A) APPLICABLE RESIDENTIAL PROPERTY.—The term ‘applicable residential property’ means—

24 “(i) any property described in section  
 25 163(n)(7)(C), and

1 “(ii) any improvements to real prop-  
2 erty which—

3 “(I) are directly related to dwell-  
4 ing units contained on property de-  
5 scribed in clause (i), and

6 “(II) are located on the site of  
7 such dwelling units.

8 “(B) SINGLE-FAMILY RESIDENTIAL PROP-  
9 erty.—The term ‘single-family residential  
10 property’ means—

11 “(i) any property described in section  
12 163(n)(7)(D), and

13 “(ii) any improvements to real prop-  
14 erty which—

15 “(I) are directly related to dwell-  
16 ing units contained on property de-  
17 scribed in clause (i), and

18 “(II) are located on the site of  
19 such dwelling units.

20 “(C) INSTITUTIONAL INVESTMENT ENTITY;  
21 LARGE OWNER.—The terms ‘institutional in-  
22 vestment entity’ and ‘large owner’ have the re-  
23 spective meanings given such terms under sec-  
24 tion 163(n).

1           “(4) REGULATIONS.—The Secretary shall pre-  
2       scribe such regulations as may be necessary or ap-  
3       propriate to carry out the purposes of this sub-  
4       section, including regulations to prevent the avoid-  
5       ance of the purposes of this subsection.”.

6       (b) EFFECTIVE DATE.—The amendments made by  
7       this section shall apply to taxable years beginning after  
8       the date of the enactment of this Act.

9       **SEC. 4. PROHIBITION ON SINGLE OR PROVISION OF FEDER-**  
10                                   **ALLY BACKED MORTGAGE LOANS TO CER-**  
11                                   **TAIN INVESTORS.**

12       (a) DEFINITIONS.—In this section:

13           (1) COVERED ENTITY.—The term “covered en-  
14       tity” means—

15                   (A) the Department of Housing and Urban  
16       Development, including the Federal Housing  
17       Administration and the Government National  
18       Mortgage Association;

19                   (B) the Department of Veterans Affairs;

20                   (C) the Department of Agriculture;

21                   (D) the Federal National Mortgage Asso-  
22       ciation;

23                   (E) the Federal National Mortgage Cor-  
24       poration; and

1 (F) any other Federal agency that is sell-  
2 ing or otherwise disposing of covered residential  
3 property.

4 (2) COVERED RESIDENTIAL PROPERTY.—The  
5 term “covered residential property”—

6 ( ) means residential real property or a  
7 manufactured housing community; and

8 (B) does not include—

9 (i) Federally assisted housing, as de-  
10 fined in section 579 of the Quality Hous-  
11 ing and Work Responsibility Act of 1998  
12 (42 U.S.C. 13664); or

13 (ii) any residential property that uses  
14 tax credits under section 42 of the Internal  
15 Revenue Code of 1986.

16 (3) FEDERALLY BACKED MORTGAGE LOAN.—  
17 The term “Federally backed mortgage loan” has the  
18 meaning given the term in section 4022(a) of the  
19 CRES Act (15 U.S.C. 9056(a)).

20 (4) INSTITUTIONAL INVESTMENT ENTITY;  
21 LARGE OWNER.—The terms “institutional invest-  
22 ment entity” and “large owner” have the meanings  
23 given those terms in subparagraphs ( ) and (B)(i)  
24 of section 163(n)(7) of the Internal Revenue Code of  
25 1986, as added by this Act.

1 (5) MANUFACTURED HOUSING COMMUNITY.—

2 The term “manufactured housing community”  
3 means a residential real estate development with lots  
4 on which factory-built homes, including manufac-  
5 tured homes (as defined in section 603 of the Na-  
6 tional Manufactured Housing Construction and  
7 Safety Standards Act of 1974 (42 U.S.C. 5402)),  
8 are located, together with amenities, utility services,  
9 roads, and other infrastructure.

1 (6) RESIDENTIAL REAL PROPERTY.—The term  
11 “residential real property” has the meaning given  
12 the term in section 1004 of the Residential Lead-  
13 Based Paint Hazard Reduction Act of 1992 (42  
14 U.S.C. 4851b).

15 (b) PROHIBITION ON SALE.— covered entity may  
16 not sell or otherwise dispose of Federally backed mortgage  
17 loans or covered residential properties to a large owner  
18 or a institutional investment entity, including a loan or  
19 property that is—

2 (1) a nonperforming or re-performing loan;

21 (2) a foreclosed home;

22 (3) a real estate-owned property; or

23 (4) any other real estate-related asset held by  
24 the covered entity.

25 (c) PROHIBITION ON FINANCING.—

1           (1) IN GENERAL.— covered entity may not  
 2           issue, insure, guarantee, or securitize any mortgage  
 3           loan where the borrower is a large owner or a insti-  
 4           tutional investment entity, unless the mortgage loan  
 5           is related to the construction or rehabilitation of  
 6           housing with affordability use restrictions, or the re-  
 7           finance of existing loans related to such housing.

8           (2) APPLICATION.—The prohibition under para-  
 9           graph (1) shall not apply with respect to a mortgage  
 1           loan that is issued, insured, guaranteed, or  
 11           securitized before the date of enactment of this act.

12 **SEC. 5. INVESTMENTS IN HOUSING SUPPLY AND HOME-**  
 13 **OWNERSHIP.**

14           (a) DEFINITIONS.—In this section:

15           (1) HEIR PROPERTY.—The term “heir prop-  
 16           erty” means residential property for which title  
 17           passed by operation of law through intestacy and is  
 18           held by 2 or more heirs as tenants in common.

19           (2) QUALIFIED HOMEBUYER.—The term  
 2           “qualified homebuyer” means a homebuyer that  
 21           meets all of the following requirements:

22           ( ) INCOME.—The household of the home-  
 23           buyer has an income that does not exceed—

24                   (i) 120 percent of median income for  
 25                   the area (as determined by the Secretary

1 of Housing and Urban Development) with-  
2 in which—

3 (I) the home to be acquired using  
4 assistance under this section is lo-  
5 cated; or

6 (II) the place of residence of the  
7 homebuyer is located; or

8 (ii) in the case of a homebuyer acquir-  
9 ing a home that is located in a high-cost  
10 area, as determined by the Secretary of  
11 Housing and Urban Development, 140 per-  
12 cent of the median income for the area  
13 within which the home to be acquired  
14 using assistance under this section is lo-  
15 cated.

16 (B) FIRST-TIME HOMEBUYER.—The home-  
17 buyer, as self-attested by the homebuyer, is a  
18 first-time homebuyer, as defined in section 104  
19 of the Cranston Gonzalez National Affordable  
20 Housing Act (42 U.S.C. 12704), except that—

21 (i) for the purposes of this section, the  
22 reference in such section 104 to title II  
23 shall be considered to refer to this section;  
24 and

1                   (ii) ownership of heir property shall  
2                   not be treated as owning a home for pur-  
3                   poses of determining whether a borrower  
4                   qualifies as a first-time homebuyer.

5                   (C) FIRST-GENERATION HOMEBUYER.—

6                   The homebuyer, as self-attested by the home-  
7                   buyer, is—

8                   (i) an individual—

9                   (I) whose parents or legal guard-  
10                  ians do not, or did not at the time of  
11                  their death, to the best of the individ-  
12                  ual's knowledge, have any present  
13                  ownership interest in a residence in  
14                  any State, excluding ownership of heir  
15                  property or ownership of chattel; and

16                  (II) whose spouse or domestic  
17                  partner has not, during the 3-year pe-  
18                  riod ending upon acquisition of the el-  
19                  igible home to be acquired using such  
20                  assistance, had any present ownership  
21                  interest in a residence in any State,  
22                  excluding ownership of heir property  
23                  or ownership of chattel, whether the  
24                  individual is a co-borrower on the loan  
25                  or not; or

1                   (ii) an individual who has at any time  
2                   been placed in foster care or institutional  
3                   care whose spouse or domestic partner has  
4                   not, during the 3-year period ending upon  
5                   acquisition of the home to be acquired  
6                   using assistance under this section, had  
7                   any ownership interest in a residence in  
8                   any State, excluding ownership of heir  
9                   property or ownership of chattel, whether  
1                   such individuals are co-borrowers on the  
11                   loan or not.

12           (b) TR NSFERS.—For fiscal year 2026 and each fis-  
13 cal year thereafter, there are hereby appropriated amounts  
14 equal to the following percentages of savings (as estimated  
15 by the Secretary of the Treasury) resulting from the limits  
16 on deductions established under sections 163(n) and  
17 167(i) of the Internal Revenue Code of 1986, as added  
18 by this ct:

19           (1) 80 percent of such amounts to the Sec-  
2           retary of Housing and Urban Development to pro-  
21           vide additional funding for the HOME Investment  
22           Partnerships program under subtitle    of title II of  
23           the Cranston-Gonzalez National   ffordable Housing  
24           ct (42 U.S.C. 12741 et seq.), to be allocated in ac-  
25           cordance with the formula under that program, ex-

1       cept that such amounts shall not be subject to the  
 2       requirements under section 231 of such   ct (42  
 3       U.S.C. 12771), for the following purposes:

4               ( )   cquisition of affordable housing, and  
 5       associated rehabilitation or preservation of such  
 6       acquired housing.

7               (B) 60 percent of the 80 percent under  
 8       this paragraph to be used for new construction  
 9       of affordable housing, with at least half of such  
 1       funds to be used for new construction of afford-  
 11       able housing for the benefit of extremely low-in-  
 12       come households.

13              (2) 20 percent of such amounts to the Sec-  
 14       retary of Housing and Urban Development to estab-  
 15       lish a fund to provide grants of assistance on behalf  
 16       of qualified homebuyers, the amount of which shall  
 17       not exceed the greater of \$20,000 or 10 percent of  
 18       the purchase price for each qualified homebuyer, for  
 19       down payments, closing costs, and interest rate  
 2       buydowns associated with acquiring owner-occupied  
 21       primary residences

22 **SEC. 6. INCRE SE   NTITRUST MONITORING FOR RE L**  
 23 **PROPERTY OWNERS.**

24       (a) HOUSING   CQUISITIONS REVIEW   ND TR NS-  
 25 P RENCY.—

1 (1) DEFINITIONS.—In this section:

2 (A) RESIDENTIAL PROPERTY.—The term  
3 “residential property”—

4 (i) means property that is zoned or in-  
5 tended to be used as a dwelling for individ-  
6 uals or households, including multifamily  
7 housing, condominiums, manufactured  
8 homes, or single-family homes; and

9 (ii) does not include any place of  
1 short-term lodging.

11 (B) INVESTMENT RENTAL PROPERTY.—  
12 The term “investment rental property” means  
13 real property that—

14 (i) will not be rented to an entity, in-  
15 cluding any entity of the acquiring person,  
16 except for the sole purpose of maintaining,  
17 managing, or supervising the operation of  
18 the real property; and

19 (ii) will be held solely for rental or in-  
2 vestment purposes.

21 (C) PLACE OF SHORT-TERM LODGING.—  
22 The term “place of short-term lodging” means  
23 a hotel, motel, inn, short-term rental, or other  
24 place of lodging that advertises at a price that  
25 is a nightly, hourly, or weekly rate.

1           (2) AMENDMENTS TO KING HOUSING TRANS-  
2           CTIONS REPORTABLE.—

3           (A) SINGLE ACQUISITION.—Section 7 (a)  
4           of the Clayton Act (15 U.S.C. 18a(a)) is  
5           amended by adding at the end the following:  
6           “For purposes of this subsection, all acquisi-  
7           tions of residential property (as defined in sec-  
8           tion 6(a) of the American Homeownership Act  
9           by any person within a single calendar year  
1           shall be deemed to be a single acquisition and  
11           notification pursuant to this subsection shall be  
12           filed by the acquiring person upon acquiring the  
13           property that brings such single acquisition  
14           within any requirement described in paragraph  
15           (2) when aggregated with all other prior acqui-  
16           sitions of residential property by the person in  
17           that calendar year.”

18           (B) EXEMPTION.—Section 7 (c)(1) of the  
19           Clayton Act (15 U.S.C. 18a(c)(1)) is amended  
20           by inserting “, unless the transaction includes  
21           residential property or investment rental prop-  
22           erty (as defined in section 6(a) of the American  
23           Homeownership Act), including in the form of  
24           a real estate investment trust, that is not solely  
25           intended for the personal use of an individual.”

1 (C) CODE OF FEDERAL REGULATIONS.—  
2 The Federal Trade Commission, with the con-  
3 currence of the Assistant Attorney General in  
4 charge of the Antitrust Division of the Depart-  
5 ment of Justice, shall, by rule, in accordance  
6 with section 553 of title 5, United States  
7 Code—

8 (i) amend part 802 of title 16, Code  
9 of Federal Regulations to conform with the  
10 amendments to section 7 (a) of the Clay-  
11 ton Act (15 U.S.C. 18(a)) made by this  
12 paragraph; and

13 (ii) rescind any rules exempting resi-  
14 dential property or investment rental prop-  
15 erty pursuant to section 7 (d)(2)(B) of  
16 that Act.

17 (3) RULEM KING.—The Federal Trade Com-  
18 mission, with the concurrence of the Assistant At-  
19 torney General in charge of the Antitrust Division of  
20 the Department of Justice and by rule, in accord-  
21 ance with section 553 of title 5, United States Code,  
22 shall issue rules relating to the form and documen-  
23 tary material and information relevant to any acqui-  
24 sition or aggregated acquisitions of residential prop-  
25 erty is necessary and appropriate under section

1       7 (a) of the Clayton Act (15 U.S.C. 18a(a)), as  
2       amended by paragraph (2), to enable the Federal  
3       Trade Commission and the Assistant Attorney Gen-  
4       eral to determine whether such acquisition or aggre-  
5       gated acquisitions may violate the antitrust laws, as  
6       defined in subsection (a) of the first section of the  
7       Clayton Act (15 U.S.C. 12).

8       (b) PRESUMPTION OF UNLAWFUL MERGER OR AC-  
9       QUISITION.—

1               (1) SENSE OF CONGRESS.—It is the sense of  
11       Congress that—

12               (A) market concentration and the change  
13       in market concentration due to a merger or ac-  
14       quisition can be an important indicator of the  
15       merger or acquisition's risk of substantially  
16       lessening competition; and

17               (B) in a landmark case, the Supreme  
18       Court correctly explained that the “intense con-  
19       gressional concern with the trend toward con-  
20       centration warrants dispensing, in certain cases,  
21       with elaborate proof of market structure, mar-  
22       ket behavior, or probable anticompetitive ef-  
23       fects.” *United States v. Philadelphia National*  
24       *Bank*, 374 U.S. 321 (1963).

25               (2) PRESUMPTION.—

1           ( ) IN GENER L.—For the avoidance of  
2           doubt, the Department of Justice and the Fed-  
3           eral Trade Commission shall apply the pre-  
4           sumption that an acquisition involving residen-  
5           tial property increasing the relevant market  
6           share of the acquiring person to more than 30  
7           percent violates the antitrust laws, as defined in  
8           subsection (a) of the first section of the Clayton  
9           ct (15 U.S.C. 12) and, and that such acquisi-  
1           tion constitutes an unfair method of competi-  
11           tion under section 5 of the Federal Trade Com-  
12           mission ct (15 U.S.C. 45).

13           (B) RULE OF CONSTRUCTION.—The clari-  
14           fication described in subparagraph ( ) shall not  
15           be read to limit the use of the presumption  
16           under that subparagraph in other markets, cast  
17           doubt on other presumptions in antitrust en-  
18           forcement, or suggest that a market share that  
19           is less than 30 percent is presumptively lawful.