



May 18, 2026

**Community Home Lenders of America (CHLA) Comments
Department of Agriculture
Rural Housing Service
7 CFR Part 3555
[Docket No. RHS-26-SFH-0100]
RIN 0575-AD45**

The Community Home Lenders of America (CHLA)¹ is writing to provide comments on the U.S. Department of Agriculture – Rural Housing Service’s (RHS) [proposed rule](#) issued on March 31, 2026, regarding *Single Family Housing Guaranteed Loan Program-Income Producing Accessory Dwelling Unit (ADU) Provisions*.

Earlier in March, the President issued an Executive Order² – “Removing Barriers to Building Homes” - which calls for removing unnecessary barriers that restrict supply. Current RHS regulations prohibit the purchase or improvement of land or buildings that are used principally for income-producing purposes, which includes Accessory Dwelling Units, or ADUs as they are commonly referred to. In contrast, other major federal housing agencies such as the Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA), as well as government-sponsored enterprises (GSE) Fannie Mae and Freddie Mac, allow it.

The RHS proposal would expand financing options for ADUs by removing existing rules in its single-family housing program that prohibit the purchase or improvement of land or buildings that are used principally for income-producing purposes. **CHLA strongly supports this common-sense proposal, which would help carry out the President’s Directive to expand the supply of affordable housing options by removing this**

¹ CHLA is the only national trade association focused exclusively on small and mid-sized independent mortgage banks (IMBs).

² [Fact Sheet: President Donald J. Trump Removes Regulatory Barriers to Affordable Home Construction – The White House](#)

unnecessary regulatory barrier that inhibits financing for ADUs and harmonizing its definition of an ADU to those used by the other major federal housing agencies.

As the rule notes, there is a growing demand for affordable housing, coupled with a limited amount of land available for development in many rural communities, which has made it necessary to consider the financing of properties with an ADU. ADUs are naturally occurring affordable housing options that help expand the supply of affordable housing while also benefiting existing homeowners. By allowing the financing of ADUs, RHS will increase the number of affordable housing units, thereby helping address the current shortage of affordable housing options in a sensible manner.

In closing, CHLA appreciates the opportunity to comment on these proposed changes to its single-family housing loan guaranty programs.

Sincerely,

COMMUNITY HOME LENDERS OF AMERICA