

June 18, 2026

Re: Opposition to the Shared Appreciation for Residential Equity (SHARE) Act

Dear Member of Congress:

On behalf of the undersigned housing, consumer, community, and civil rights organizations, we write to urge your **strong opposition to H.R. 8116, the Shared Home Appreciation for Residential Equity (SHARE) Act**, which was recently introduced in the House and could soon have companion legislation in the Senate. While framed as a solution to high housing costs, this legislation would actually subsidize predatory financial products designed to strip wealth from financially fragile homeowners and communities.

The SHARE Act attempts to legitimize “shared appreciation mortgages,” more accurately known as Home Equity Investment (HEI) loans, as a tool for cash-strapped households. Notably, the bill would provide a shield from tax liability for HEI lenders. These loans are home-secured mortgage products offered to new and existing homeowners, including those who often cannot access traditional credit to cover down payments or major expenses. HEI loans provide the homeowner with a cash advance in exchange for a future lump-sum payment comprised of a significant portion of the home’s future value.

Because they require no monthly payments, HEI loans are aggressively marketed to cash-constrained, equity rich homeowners who have an average age of over 50, as a [2025 CFPB analysis found](#). The risks of HEI loans are especially high for Black and Latino homeowners. According to [a report from the National Community Reinvestment Coalition](#), Black and Hispanic households derive nearly half of their total net worth from home equity.

The funds from HEI loans are primarily used for debt consolidation and home improvements, turning unsecured debt into debt secured by the home. The reality of these products is devastating. As a Bloomberg investigation documented, [borrowers face a ticking-time-bomb of lump-sum payments](#) either at the end of the term, when they sell their home, or when they seek to refinance to a lower interest rate. Many families will be forced to sell their homes in order to repay the lump sum to the HEI lender.

We oppose the SHARE Act for four critical reasons, as described below.

Subsidizing Wealth Stripping: First, the proposed language would exempt the investor’s profits—revenue beyond the amount transferred to and paid back by the homeowner—from federal taxation where the transactions meet certain standards. The bill is explicitly engineered to generate tax-free corporate profits from lower-income and working-class neighborhoods. Specifically, H.R. 8116 excludes lender profits from gross income only if the borrower’s income is at or below 140% of the Area Median Income (AMI). Far from a consumer benefit, this criterion ensures that Wall Street investors will aggressively target financially fragile families, including in communities of color, to secure their tax-free windfalls. This will fast-track the

extraction of generational wealth and actively displace families from their homes. Far from solving the housing crisis, H.R. 8116 would exacerbate it by incentivizing a predatory product that forces homeowners to sell their properties just to cover the massive lump-sum due at maturity. This effectively steals hard-earned equity that older adults rely on for retirement, assisted living, or passing wealth down to the next generation.

A Deceptive "Cap" Designed for Maximum Wealth Extraction: Second, the bill attempts to frame the provisions as consumer safeguards by capping the initial lump-sum loan at 49% of the property's purchase price and tying the investor's share of appreciation to that same ratio. In reality, this is a mathematical illusion. Setting a principal cap at nearly half the value of a home is not a consumer guardrail—it is a license to steal equity and decimate wealth. By allowing an upfront loan to reach 49% of the historical purchase price, the bill explicitly legalizes a mechanism for corporate investors to seize up to 49% of a family's entire future home appreciation. Because home values often may grow exponentially while this formula remains anchored to a percentage of a past purchase price, the "cap" guarantees that investors can strip away an astronomical, disproportionate share of a family's actual wealth upon sale or maturity, free from taxes and leaving the homeowner economically devastated.

Case Example: How the "Cap" Disguises Disproportionate Corporate Profit:

Consider a family who purchased a home for \$200,000. The term of the first-lien mortgage is 30 years and the HEI loan is made at the same time. Under the bill's 49% "cap," an investor provides cash up front of \$98,000 (49% of \$200,000), which allows the investor to take 49% of all future appreciation. If the home later grows in value at an average of 4% annually, the home will gain \$448,680 in value and be worth \$648,680 after 30 years. The investor is entitled to 49% of that new appreciation (\$219,853) plus the original \$98,000 principal—totaling a staggering **\$317,853 payout that is due all in one lump sum**. This shows that **the 49% "cap" does not meaningfully limit the borrower's amount due**. Instead, it guarantees to the investor a massive percentage of a family's wealth with **no ceiling on the final dollar amount extracted**. To pay such an astronomical amount, the family most likely will be forced to sell the home and have little money left for new housing or other expenses. The investor will walk away with \$219,853 in pure profit, which under this bill will be likely exempt from income taxes. Conversely, if the first-lien loan comes due in a shorter time period, the lump sum due would be less but it all would be due at that time, forcing the homeowner to sell the home and even more acutely lose the opportunity to age in place. Either way, families seeking to stay in the home after the first-lien mortgage is paid off, or use the proceeds from a sale for family expenses, likely would have neither option under the bill.

Lack of Regulatory Oversight Means an Uneven Playing Field for Borrowers. Third, while HEI loans are mortgages secured by residential property—[a finding confirmed by a majority of courts that have looked at this product](#)—HEI lenders insist that they are not subject to existing state and federal mortgage lending laws. Yet only a limited number of states have affirmatively

clarified that HEI loans are in fact subject to existing laws. The SHARE Act fails to explicitly subject these loans to federal and state consumer protection laws, leaving borrowers in a difficult position to understand the transaction and without a clear, nationwide standard for needed consumer protections.

Co-opting Mission-Driven Housing Models: Fourth, the "SHARE" Act deliberately muddies the waters by co-opting the language of legitimate, mission-driven shared equity homeownership models such as community land trusts, limited-equity cooperatives, and Habitat for Humanity partnerships that serve underserved households and preserve homeownership through financial programming, regulated mortgage products, and community engagement. HEI loans do the exact opposite—they exploit high housing costs with a product that drains family wealth. By making these predatory profits tax-free, the SHARE Act would incentivize a wave of toxic loans that strip tens or hundreds of thousands of dollars in accrued equity from homeowners, ultimately forcing them to sell their properties when the massive lump-sum comes due.

At a time when housing supply is short and interest rates are high, Congress should not be in the business of creating tax loopholes for predatory financial products that put homeownership at risk. We urge you to stand up for consumer protection and **vote NO on the Shared Home Appreciation for Residential Equity (SHARE) Act.**

Thank you for your time and leadership on this critical matter.

Sincerely,

National Consumer Law Center (on behalf of its low-income clients)
Grounded Solutions Network
Americans for Financial Reform
Coalition on Human Needs
Consumer Action
Consumer Federation of America
Legal Defense Fund
National Association of Consumer Advocates
National Association of Social Workers (NASW)
National Community Reinvestment Coalition (NCRC)
National Fair Housing Alliance
National Housing Law Project
UnidosUS
Woodstock Institute