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HOUSE BILL NO. 1415

Offered January 22, 2026

A BILL to amend and reenact §§ 36-55.33:1 and 55.1-1203 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 5 of Title 38.2 a section numbered 38.2-519, relating to Virginia Housing Development Authority; homeowner's insurance; Virginia Residential Landlord and Tenant Act; companion animals and certain pets.

Patrons—Schmidt, Anthony, Carnegie, Clark, Cousins, Dougherty, Henson, Keys-Gamarra, Mehta and Rasoul

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 36-55.33:1 and 55.1-1203 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 5 of Title 38.2 a section numbered 38.2-519 as follows:

§ 36-55.33:1. Mortgage loan terms and conditions.

A. All mortgage loans made by HDA pursuant to § 36-55.31 of this chapter shall be subject to the following terms and conditions:

1. The ratio of mortgage loan principal amount to total housing development costs and the amortization period of any mortgage loans made by HDA which are federally insured mortgages, in whole or in part, or which are otherwise assisted or aided, directly or indirectly, by the federal government, shall be governed by the rules and regulations provided in or pursuant to the federal government program under which the HDA mortgage loan or part thereof is insured, guaranteed, assisted or aided; but in no event shall such amortization period exceed 50 years.

2. A mortgage loan made by HDA may be prepaid to maturity after a period of years, and on such terms and conditions, as are determined by HDA in its rules and regulations or in the HDA resolution authorizing, or commitment for, such mortgage loan.

3. HDA shall have authority to establish and modify from time to time the interest rates at which it shall make mortgage loans and commitments therefor. Such interest rates shall be established by HDA in its sole discretion at the lowest level consistent with HDA's cost of operation and its responsibilities to the holders of its bonds, bond anticipation notes and other obligations. In addition to such interest charges, HDA may make and collect such fees and charges, including but not limited to reimbursement of HDA's financing costs, service charges, insurance premiums and mortgage insurance premiums, as HDA determines to be reasonable. No person shall, by way of defense or otherwise, avail himself of any of the provisions of Chapter 3 (§ 6.2-300 et seq.) of Title 6.2 to avoid or defeat the payment of any interest or fee which he shall have contracted to pay on any loan or forbearance of money made, directly or indirectly, or assisted in any manner by HDA under or pursuant to this chapter.

B. Mortgage loans made by HDA to housing sponsors to finance the ownership and operation of housing developments and multifamily residential housing intended for occupancy by persons and families of low and moderate income, pursuant to subdivision (10) of § 36-55.31, shall be subject to the following terms and conditions in addition to those contained in subsection A of this section:

1. The amount disbursed with respect to an HDA mortgage loan to a limited profit housing sponsor shall not exceed 95 percent of the total housing development costs and to a nonprofit housing sponsor shall not exceed 100 percent of the total housing development costs. Subsequent to the disbursement of such amount, additional amounts may be from time to time disbursed if the sum of the amount to be so disbursed and the then outstanding principal balance of the HDA mortgage loan does not exceed 95 percent of the market value of the housing development or residential housing as then determined by the Authority. The amortization period of such an HDA mortgage loan shall be as determined by HDA in its rules and regulations or in the HDA resolution authorizing, or commitment for, such mortgage loan; but in no event shall such amortization period exceed 50 years.

2. The instrument evidencing any such HDA mortgage loan and the mortgage securing any such HDA mortgage loan shall be in such form and contain such terms and conditions as shall be prescribed or approved by HDA. The aforesaid mortgage and instrument evidencing an HDA mortgage loan may contain exculpatory provisions relieving the housing sponsor or its principal or principals from personal liability if deemed desirable by HDA.

3. With respect to any such HDA mortgage loan made to a limited profit housing sponsor, HDA may require that such limited profit housing sponsor not make distributions in any one year with respect to the housing development or multifamily residential housing financed by such HDA mortgage loan in excess of

58 such percentage of such limited profit housing sponsor's equity in the housing development or multifamily
59 residential housing as may be determined by HDA in its rules and regulations or in the HDA resolution
60 authorizing, or commitment for such mortgage loan. None of the partners, principals, stockholders or holders
61 of a beneficial interest in such limited profit housing sponsor shall earn, accept or receive a return in any one
62 year with respect to the housing development or multifamily residential housing financed by such HDA
63 mortgage loan greater than his applicable proportion of any such percentage of such limited profit housing
64 sponsor's equity in the housing development or multifamily residential housing as may be determined by
65 HDA in its rules and regulations or in the HDA resolution authorizing, or commitment for, such mortgage
66 loan. The right to any such limited distribution or return may be cumulative to the extent provided by HDA in
67 its rules and regulations or in the HDA resolution authorizing, or commitment for, such mortgage loan. For
68 the purpose of this section, the terms "distribution" and "return" are intended to mean payments on account of
69 the housing development or multifamily residential housing financed by such HDA mortgage loan resulting
70 from the operation thereof. Any payment to a person or entity who is a partner, principal, stockholder or
71 holder of a beneficial interest in such limited profit housing sponsor shall not be deemed a "distribution" or
72 "return" to such person or entity if the funds with which such payment is made are funds paid or contributed
73 to such limited profit housing sponsor by persons or entities purchasing a beneficial interest in such limited
74 profit housing sponsor. At or after the completion of construction, rehabilitation or improvement of the
75 housing development or multifamily residential housing financed by such HDA mortgage loan, such limited
76 profit housing sponsor's equity in the housing development or multifamily residential housing shall be
77 established in the manner provided by HDA in its rules and regulations or in the HDA resolution authorizing,
78 or commitment for such mortgage loan. Such equity shall be determined by HDA, at its option, as either (i)
79 the difference between the total housing development costs as to the housing development or multifamily
80 residential housing and the final principal amount of such HDA mortgage loan, or (ii) the difference between
81 the fair market value of such housing development and the final principal amount of such HDA mortgage
82 loan. HDA may thereafter from time to time adjust such equity to be equal to the difference, as of the date of
83 adjustment, between the fair market value of such housing development and the outstanding principal balance
84 of such HDA mortgage loan. HDA may review and regulate a proposed retirement of any capital investment
85 in, or redemption of any stock of, such limited profit housing sponsor in the manner provided by HDA in its
86 rules and regulations or in the HDA resolution authorizing, or commitment for, such mortgage loan.

87 4. With respect to any such HDA mortgage loan, HDA may require the housing sponsor and other parties
88 related to the housing development or multifamily residential housing financed by such HDA mortgage loan
89 to execute such agreements, assurances, guarantees and certifications as HDA shall determine to be necessary
90 including, without limitation, agreements between HDA and such housing sponsor and its partners, principals
91 or stockholders to limitations established by HDA as to rentals and other charges, profits, fees, the use and
92 disposition of the real property constituting the site of or relating to the housing development or multifamily
93 residential housing and other property of such housing sponsor, and the use and disposition of franchises of
94 such housing sponsor to the extent more restrictive limitations are not provided by the law under which such
95 housing sponsor is incorporated or organized.

96 5. As a condition of any such HDA mortgage loan, HDA shall have the power to supervise the housing
97 sponsor in accordance with the provisions of § 36-55.34:1 at all times during which such HDA mortgage loan
98 is outstanding and thereafter as necessary to preserve the federal tax exemption of the notes or bonds issued
99 by HDA to finance such HDA mortgage loan.

100 6. *As a condition of any such HDA mortgage loan, HDA shall require the housing development to*
101 *authorize occupants to own or otherwise maintain at least one companion animal within the occupant's*
102 *dwelling unit, subject to local ordinances. Such housing development may establish policies relating to the*
103 *health, safety, and general welfare of occupants, provided that no such policy shall result in a ban on an*
104 *occupant's ability to maintain at least one companion animal within the occupant's dwelling unit. No such*
105 *policy may restrict the keeping of a companion animal based on the companion animal's breed or mix of*
106 *breeds or establish a weight limit of less than 65 pounds per animal. For purposes of this subdivision,*
107 *"housing development" shall not include medical and related facilities for the residence and care of the aged,*
108 *and "companion animal" means the same as that term is defined in § 3.2-6500.*

109 C. Mortgage loans made by HDA to persons and families of low and moderate income to finance the
110 purchase or refinancing of single-family residential housing, pursuant to subdivision (11) of § 36-55.31, shall
111 be subject to the following terms and conditions in addition to those contained in subsection A of this section:

112 1. The amount disbursed with respect to such HDA mortgage loan shall not exceed 100 percent of the
113 sales price or market value of the single-family residential housing, as determined or approved by or on
114 behalf of HDA. HDA may also disburse additional amounts to finance such closing costs and fees as it may
115 deem necessary or appropriate, and all such disbursements and financings of closing costs and fees
116 subsequent to the enactment of this chapter are hereby validated. The amortization period of such an HDA
117 mortgage loan shall be as determined by HDA in its rules and regulations or in the HDA resolution
118 authorizing, or commitment for, such mortgage loan; but in no event shall such amortization period exceed
119 50 years. If during the term of the HDA mortgage loan (i) the outstanding principal balance of the HDA

120 mortgage loan is expected to increase to an amount in excess of the original principal balance or (ii) the
121 amount of monthly payments on the HDA mortgage loan will or may be adjusted, HDA shall so notify the
122 applicants prior to the execution of the HDA mortgage loan. Such notice shall describe the terms and
123 conditions under which the outstanding principal balance or the amount of monthly payments, or both, may
124 be so increased or adjusted, and such notice shall be signed by the applicants.

125 2. Such an HDA mortgage loan shall be made only after a determination that such a mortgage loan is not
126 otherwise available from private lenders upon reasonably equivalent terms and conditions, and the HDA
127 resolution authorizing, or commitment for, such mortgage loan shall contain such a determination.

128 3. The instrument evidencing any such HDA mortgage loan and the mortgage securing any such HDA
129 mortgage loan shall be in such form and contain such terms and conditions as shall be prescribed or approved
130 by HDA. With respect to any such HDA mortgage loan, HDA may require the person or family of low or
131 moderate income to execute such agreements, assurances, guarantees and certifications as HDA shall
132 determine to be necessary including, without limitation, agreements between HDA and such person or family
133 of low or moderate income relating to the use, occupancy, maintenance and sale of the single-family
134 residential housing financed by such HDA mortgage loan and the payment, prepayment and assignment of
135 such HDA mortgage loan.

136 D. Mortgage loans made by HDA to housing sponsors or persons or families of low or moderate income
137 to finance the construction, rehabilitation, preservation or improvement of housing developments or
138 residential housing intended, upon completion of such construction, rehabilitation, preservation or
139 improvement, for ownership or occupancy by persons and families of low and moderate income, pursuant to
140 subdivision (12) of § 36-55.31 of this chapter, shall be subject to the following terms and conditions in
141 addition to those contained in subsection A of this section:

142 1. The amount disbursed with respect to such an HDA mortgage loan to a limited profit housing sponsor
143 shall not exceed 95 percent of the total housing development costs and to a nonprofit housing sponsor or a
144 person or family of low or moderate income shall not exceed 100 percent of the total housing development
145 costs. Subsequent to the disbursement of such amount, additional amounts may be from time to time
146 disbursed if the sum of the amount to be so disbursed and the then outstanding principal balance of the HDA
147 mortgage loan does not exceed 95 percent of the market value of the housing development or residential
148 housing as then determined by the Authority. Without regard as to whether HDA intends to remain the lender
149 in respect to such mortgage loan throughout the amortization period thereof, the amortization period of such
150 an HDA mortgage loan shall be as determined by HDA in its rules and regulations or in the HDA resolution
151 authorizing, or commitment for, such mortgage loan.

152 2. In considering any application for such an HDA mortgage loan, HDA shall give first priority to
153 applications relating to housing developments or residential housing which are or will be well-planned and
154 well-designed, and also shall give consideration to:

155 a. The comparative need for housing for persons and families of low and moderate income in the area
156 proposed to be served by the housing development or residential housing;

157 b. The ability of the applicant to construct, rehabilitate or improve and market or operate, manage and
158 maintain the housing development or residential housing;

159 c. The existence of zoning or other regulations to protect adequately the housing development or
160 residential housing against detrimental future uses which could cause undue depreciation in the value of the
161 housing development or residential housing;

162 d. The availability of adequate parks, recreational areas, utilities, schools, transportation and parking; and

163 e. The existence of statewide housing plans.

164 3. With respect to any such HDA mortgage loan, HDA may require the housing sponsor, person or family
165 of low or moderate income, contractors, architects, marketing agents, management agents and other parties
166 related to the housing development or residential housing financed by such HDA mortgage loan to execute
167 such agreements, assurances, guarantees and certifications as HDA shall determine to be necessary including,
168 without limitation, agreements between HDA and such housing sponsor and its partners, principals or
169 stockholders or such person or family of low or moderate income to limitations established by HDA as to
170 rentals and other charges, profits, fees, the use and disposition of the real property constituting the site of or
171 relating to the housing development or residential housing and other property of such housing sponsor, and
172 the use and disposition of franchises of such housing sponsor to the extent more restrictive limitations are not
173 provided by the law under which such housing sponsor is incorporated or organized. HDA shall require the
174 housing sponsor or person or family of low or moderate income receiving such HDA mortgage loan, or the
175 construction contractor, or both, to furnish such assurances of completion of the construction, rehabilitation
176 or improvement as determined by HDA in its rules and regulations or in the HDA resolution authorizing, or
177 commitment for, such mortgage loan.

178 4. As a condition of any such HDA mortgage loan to a housing sponsor, HDA shall have the power to
179 supervise such housing sponsor in accordance with the provisions of § 36-55.34:1 at all times during which
180 such HDA mortgage loan is outstanding and thereafter as necessary to preserve the federal tax exemption of
181 the notes or bonds issued by HDA to finance such HDA mortgage loan.

182 5. With respect to any such HDA mortgage loan, the provisions of subdivisions 2 and 3 of subsection B of
183 this section shall be applicable.

184 E. Mortgage loans made by HDA pursuant to subdivision 13 of § 36-55.31 to finance the construction,
185 rehabilitation, preservation or improvement, or ownership and operation, of economically mixed projects or
186 portions thereof and, if any such project is within a revitalization area designated in or pursuant to
187 § 36-55.30:2, any nonhousing buildings that are incidental to such project or are determined by such
188 governing body of the city or county to be necessary or appropriate for the revitalization of such area or for
189 the industrial, commercial or other economic development of such area shall be subject to the following terms
190 and conditions in addition to those contained in subsection A of this section:

191 1. The principal amount of such an HDA mortgage loan shall not exceed 95 percent of the total housing
192 development costs, and the amortization period of such an HDA mortgage loan shall be as determined by
193 HDA in its rules and regulations or in the HDA resolution authorizing, or in the commitment for, such
194 mortgage loan; but in no event shall such amortization period exceed 50 years.

195 2. Such an HDA mortgage loan shall be made only if the provisions of § 36-55.30:2 are satisfied.

196 3. The instrument evidencing any such HDA mortgage loan and the mortgage securing any such HDA
197 mortgage loan shall be in such form and contain such terms and conditions as shall be prescribed or approved
198 by HDA. The aforesaid mortgage and instrument evidencing an HDA mortgage loan may contain exculpatory
199 provisions relieving a housing sponsor, if any, or its principal or principals from personal liability if deemed
200 desirable by HDA.

201 4. The nonhousing buildings shall be financed by such an HDA mortgage loan only if the HDA shall
202 receive a certification from the housing sponsor that a mortgage loan for the financing of such nonhousing
203 buildings is not otherwise available from private lenders upon reasonably equivalent terms and conditions.

204 **§ 38.2-519. Dog breeds.**

205 *No person shall inquire, refuse to issue, cancel, refuse to renew, or increase a rate of any homeowner's*
206 *insurance policy based on the breed or mixture of breed of any dog that is present, maintained, or kept at the*
207 *property. "Homeowner's insurance" means the same as that term is defined in § 38.2-130.*

208 *Nothing in this section shall be construed to prohibit any insurer from refusing to issue, canceling,*
209 *refusing to renew, or imposing a reasonable rate increase to a homeowner's insurance policy based on*
210 *evidence that the insured's dog has previously bitten, attacked, or inflicted injury on a person or a companion*
211 *animal.*

212 **§ 55.1-1203. Application; deposit, fee, and additional information.**

213 A. Any landlord may require a refundable application deposit in addition to a nonrefundable application
214 fee. If the applicant fails to rent the unit for which application was made, from the application deposit the
215 landlord shall refund to the applicant within 20 days after the applicant's failure to rent the unit or the
216 landlord's rejection of the application all sums in excess of the landlord's actual expenses and damages
217 together with an itemized list of such expenses and damages. If, however, the application deposit was made
218 by cash, certified check, cashier's check, or postal money order, such refund shall be made within 10 days of
219 the applicant's failure to rent the unit if the failure to rent is due to the landlord's rejection of the application.
220 If the landlord fails to comply with this section, the applicant may recover as damages suffered by him that
221 portion of the application deposit wrongfully withheld and reasonable attorney fees.

222 B. A landlord may request that a prospective tenant provide information that will enable the landlord to
223 determine whether each applicant may become a tenant. The landlord may photocopy each applicant's driver's
224 license or other similar photo identification, containing either the applicant's social security number or control
225 number issued by the Department of Motor Vehicles pursuant to § 46.2-342. However, a landlord shall not
226 photocopy a U.S. government-issued identification so long as to do so is a violation of 18 U.S.C. § 701. The
227 landlord may require, for the purpose of determining whether each applicant is eligible to become a tenant in
228 the landlord's dwelling unit, that each applicant provide a social security number issued by the U.S. Social
229 Security Administration or an individual taxpayer identification number issued by the U.S. Internal Revenue
230 Service.

231 C. An application fee shall not exceed \$50, exclusive of any actual out-of-pocket expenses paid by the
232 landlord to a third party performing background, credit, or other pre-occupancy checks on the applicant.
233 However, where an application is being made for a dwelling unit that is a public housing unit or other
234 housing unit subject to regulation by the U.S. Department of Housing and Urban Development, an
235 application fee shall not exceed \$32, exclusive of any actual out-of-pocket expenses paid to a third party by
236 the landlord performing background, credit, or other pre-occupancy checks on the applicant.

237 D. A landlord shall consider evidence of an applicant's status as a victim of family abuse, as defined in
238 § 16.1-228, to mitigate any adverse effect of an otherwise qualified applicant's low credit score. In order to
239 establish the applicant's status as a victim of family abuse, an applicant may submit to the landlord (i) a letter
240 from a sexual and domestic violence program, a housing counselor certified by the U.S. Department of
241 Housing and Urban Development, or an attorney representing the applicant; (ii) a law-enforcement incident
242 report; or (iii) a court order. If a landlord does not comply with this section, the applicant may recover actual
243 damages, including all amounts paid to the landlord as an application fee, application deposit, or

244 reimbursement for any of the landlord's out-of-pocket expenses that were charged to the prospective tenant,
245 along with attorney fees.

246 *E. A landlord shall provide a disclosure with any application containing a written copy of any terms and*
247 *conditions of the rental agreement regarding an applicant's ability to own or otherwise maintain a*
248 *companion animal within the dwelling unit. Such disclosure shall include any (i) restrictions based on animal*
249 *species or breed; (ii) any restrictions based on animal weight; (iii) additional fees or deposits associated with*
250 *owning or maintaining a companion animal and whether such fees are refundable; (iv) any vaccination*
251 *requirements; (v) any liability insurance requirements; and (vi) additional conditions relating to owning or*
252 *maintaining a companion animal in the dwelling unit. If such landlord maintains a website regarding the*
253 *property, such terms and conditions shall additionally be published to such website. For the purpose of this*
254 *subsection, "companion animal" means the same as that term is defined in § 3.2-6500.*

INTRODUCED

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