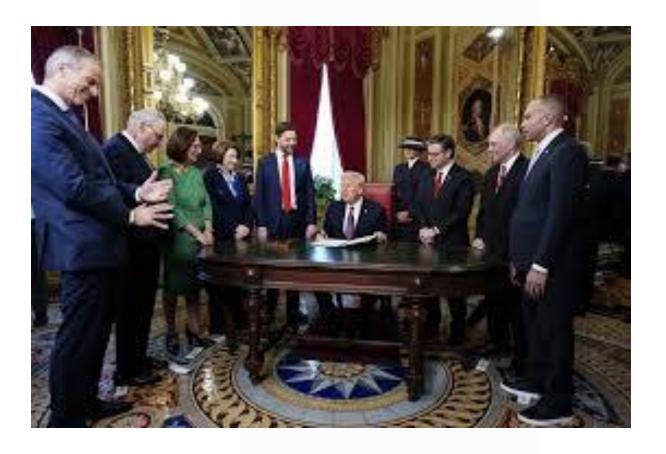
NAHMA Update: August 2025



Agenda

Context for Our Discussion: Market Trends

- Congress
 - FY 2025 Appropriations
 - FY 2026 Appropriations and Budget Resolution Process
 - Legislation & Hearings, Nominations
- Administration
 - Executive Orders, Trade/Tariffs
 - DOGE, HUD, Fair Housing
 - Tax Credit (LIHTC)
 - Rural Housing
- Advocacy Resources

Harvard JCHS – (Report); 2025 The State of The Nation's Housing

Summary

- The U.S. housing market is shrouded in uncertainty.
- Insurance premiums and property taxes are on the rise;
- High rents have left record numbers with cost burdens;
- Devastating wildfires have highlighted the growing dangers of climate disasters.

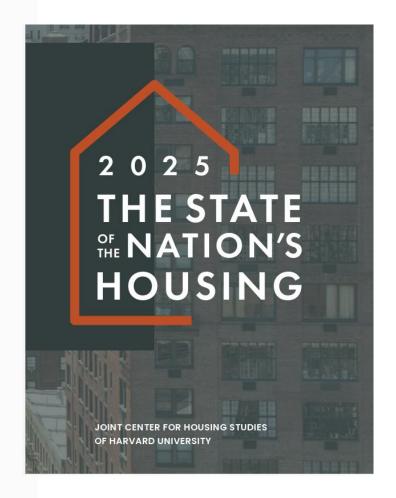


Figure 3: Renter Household Growth Outpaces the Surge in Apartment Construction

Units in Professionally Managed Properties (Thousands)

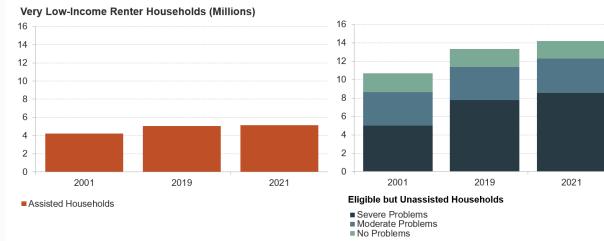


Note: Estimates are four-quarter rolling totals for professionally managed apartment buildings with five or more units. Source: JCHS tabulations of RealPage data.

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Figure 5: Housing Assistance Fails to Keep Up with Increasing Needs



Notes: Very low-income renters earn 50% or less of area median income. Severe problems include spending more than 50% of income on rent and utilities or living in severely inadequate housing. Moderate problems include spending 30–50% of income on rent and utilities or living in moderately inadequate housing. Source: JCHS tabulations of US Department of Housing and Urban Development (HUD), Worst Case Housing Needs Reports to Congress.

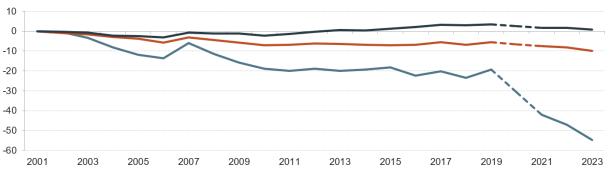
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Figure 22: Lower-Income Renters Have Experienced a Sharp Drop in Funds Left Over After Paying for Housing





Household Income —Under \$30,000 —\$30,000–74,999 —\$75,000 and Over

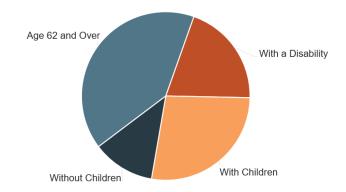
Notes: Household incomes and residual incomes are adjusted for inflation using the CPI-U for All Items. Households that are not required to pay rent are excluded. Data or 2020 are based on 2019 and 2021 values due to data collection issues experienced during the pandemic. Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

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Figure 26: Most Assisted Households Are Older, or Include Children or People with Disabilities

Share of HUD-Assisted Households (Percent)



Notes: Categories are based on the head of household or their spouse. Households age 62 and older may also have a disability or have children in the household. Households with a disability may also have children.

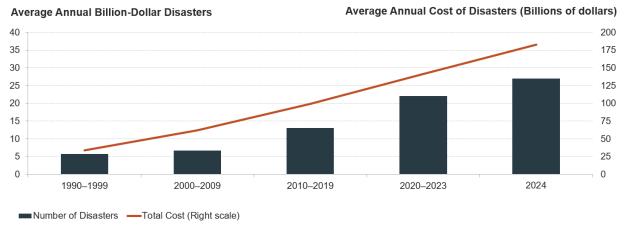
Source: JCHS tabulations of HUD, 2024 Public Use Microdata Sample.

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Figure 28: Climate-Related Disasters Are More Frequent and More Costly



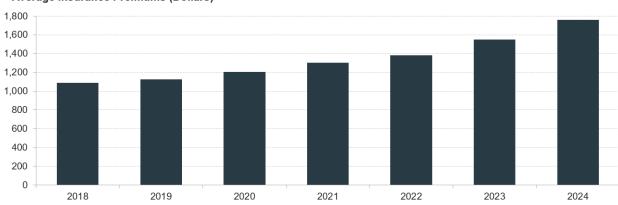
Note: Costs are adjusted for inflation using the CPI-U for All Items.
Source: JCHS tabulations of National Oceanic and Atmospheric Administration, Billion-Dollar Weather and Climate Disasters

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Figure 29: Rising Insurance Premiums Further Strain Affordability

Average Insurance Premiums (Dollars)



Notes: Estimates for 2024 are through August. Insurance premium estimates are for single-family owner-occupied properties with a fully amortizing 30-year fixed-rate mortgage funded by Freddie Mac.
Source: Freddie Mac.

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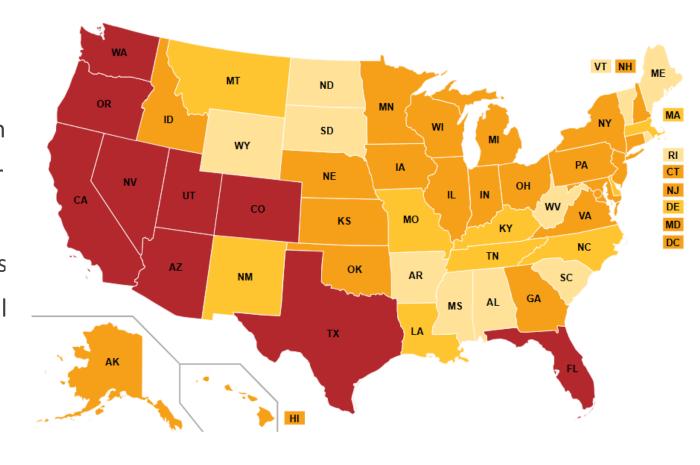


NLIHC: <u>The Gap - A Shortage of Affordable</u>
Homes

- National Shortage of Affordable Rental Housing
- "The U.S. has a shortage of 7.1 million rental homes affordable and available to renters with extremely low incomes – that is, incomes at or below either the federal poverty guideline or 30% of their area median income, whichever is greater. Only 35 affordable and available rental homes exist for every 100 extremely lowincome renter households."

No State Has an Adequate Supply of Affordable Rental Housing for the Lowest-Income Renters





United States Federal Rental Assistance Fact Sheet



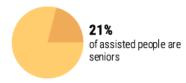
Federal rental assistance helps struggling seniors, people with disabilities, veterans, and working families keep a roof over their heads, often by helping them afford rental units they find in the private market. Ten million people in over 5 million low-income households receive federal rental assistance.

10.1 million

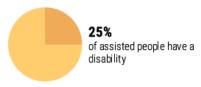
people in **5.2 million American** households use federal rental assistance to afford modest housing.

69% are seniors, children, or people with disabilities.

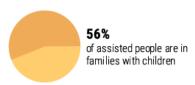
...but 4 in 10 low-income* people in the United States are experiencing homelessness or pay over half their income for rent. Most don't receive federal rental assistance due to limited funding.



Rental assistance helps **2.1 million** of the United States' seniors age in place.



Rental assistance helps **2.6 million** people with disabilities to live independently in the United States.



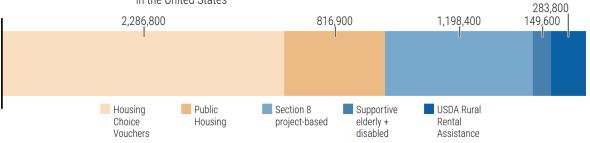
Rental assistance helps **5.6 million** people in families with children in the United States avoid homelessness.

Rental assistance supports working families: **60%** of non-disabled, working-age American households receiving Department of Housing and Urban Development rental assistance include at least one worker.

Rental Assistance Supports All Types of American Communities

Rental assistance helps 8.6 million people in cities and suburbs, as well as 1.5 million people in rural areas and small towns.

Number of Households Receiving Major Types of Federal Rental Assistance in the United States



Federal rental assistance programs provided states with **\$55 billion** in 2023.

FY25 Govt Funding

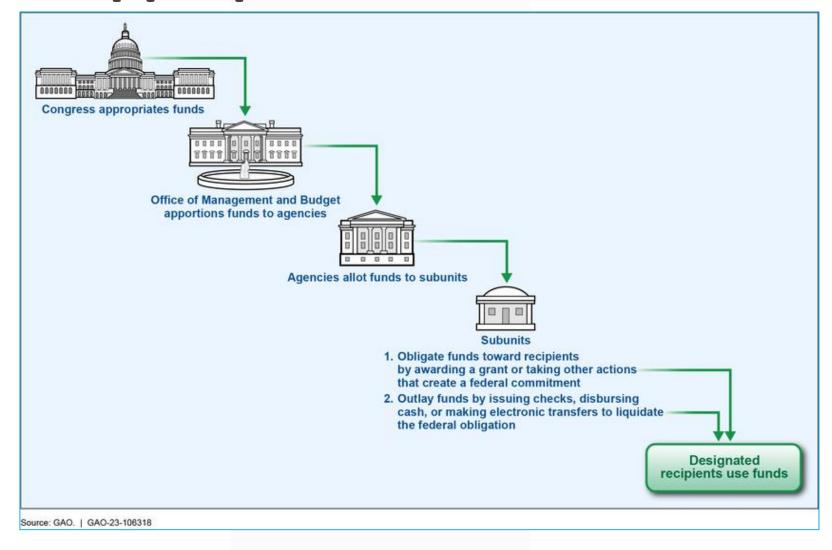
Congress <u>Passes Government Funding Bill</u> in mid-March -- Highlights the seven-month funding legislation, including FY24 levels for most HUD programs with changes:

- >\$32.04 billion for Section 8 tenant-based rental assistance, with \$32.15 billion (including previous appropriations) allocated for voucher renewals
- >\$16.49 billion for PBRA
- >\$931 million for Section 202
- >\$257 million for Section 811

FY26 Status of Funding Bills

- Appropriations Status Table: FY2026
- Agriculture (USDA-RD): Committee Approval in House and Senate; Awaiting Full House and Senate Vote
- THUD: Committee Approval in House and Senate;
 Awaiting Full House and Senate Vote

Federal Appropriations Process



HUD Funding Chart FY25 vs FY26

HUD Programs (in millions)	FY25 Enacted (current)	FY26 President Budget Request	FY26 House Proposed	FY26 Senate Proposed
HOME	\$1,250	0	0	\$1,250
CDBG	\$3,330	0	\$3,300	\$3,100
PBRA	\$16,890	0*	\$17,127	\$17,804
Sec. 202	\$931	0*	\$950	\$972
Sec. 811	\$256	0*	\$261	\$265
TBRA (HCV)	\$36,048	0*	\$35,268	\$37,355

^{*} Administration proposed elimination and consolidating into State Rental Assistance Block Grant program

USDA-RD/RHS Funding Chart FY25 vs FY26

USDA-RD Programs (in millions)	FY25 Enacted (current)	FY26 President Budget Request	FY26 House Proposed	FY26 Senate Proposed
Section 515	\$60	\$50	\$60	\$50
Section 521	\$1,608	\$1,720	\$1,715	\$1,715
Section 538	\$400	\$400	\$400	\$400
Section 542	\$48	\$48	\$48	\$48
Rental Preservation Demonstration (MPR)	\$34	\$15	\$30	\$34

FY26 Govt Funding (Appropriations)
FY2026 HUD Budget:
Major Restructuring

Total HUD Budget Requested: \$43.5 billion (**↓ 43.6**% from FY2025)

- HUD's FY2026 budget request proposes significant cuts across federal agencies and programs.
- On May 2, the White House pushed a "skinny budget" with a focus on reducing the footprint of government and its reach into Americans' lives, potentially leading to a decrease in the number of households receiving housing assistance.

FY26 Govt Funding (Appropriations)
FY2026 HUD Budget:
Major Restructuring

Key Change: New State Rental Assistance Block Grant

- Consolidates public housing, tenant-based, project-based, elderly & disability programs (↓\$26.7B)
- Two-year assistance cap for able-bodied adults
- Prioritizes elderly and disabled recipients
- Formula relies on state-matching resources
- Administration's Rationale: States better equipped to address local housing needs

FY26 Govt Funding (Appropriations) Major Program Eliminations & Consolidations

Key Change: Major Program Eliminations & Consolidations

Community Development:

- CDBG eliminated (\$3.3B)
- HOME Investment Partnerships eliminated (\$1.25B)

Homelessness Programs:

- Homeless Assistance Grants Consolidated into Emergency Solutions Grants (\$532M)
- Two-year assistance cap
- U.S. Interagency Council on Homelessness eliminated

Other Program Eliminations:

- PRO Housing Grants (\$100M)
- Fair Housing Initiatives Program
- RD/Rural housing programs cut by \$721M

HUD Secretary Turner Gets Pushback From Lawmakers on HUD Funding Request

- ➤ Context: HUD Secretary Scott Turner faced intense bipartisan congressional scrutiny over the administration's proposed FY 2026 budget.
- ➤ **Proposed Cuts:** A drastic **51% reduction** to HUD's budget and sweeping programmatic changes, fundamentally reshaping federal housing assistance.
- Administration's "New Playbook": Secretary Turner advocates for efficiency and fiscal responsibility, characterizing current programs as "full of waste, fraud, and abuse" and "broken."
- ➤ **Key Remark:** Rental assistance as a "trampoline, not a hammock" temporary, not permanent. Despite HUD's budget increasing from \$42 billion to \$77 billion over eight years, homelessness increased **18% in 2024 to over 770,000 people**.

Major Program Consolidation: A Paradigm Shift

- ➤ Core Proposal: Consolidating five major rental assistance programs into a single State Rental Assistance Program (SRAP) block grant:
 - >HCV, PBRA, Public Housing, Section 202, Section 811
- ➤ Impact: Affects over 4.5 million households, primarily elderly and disabled.
- ➤ Rationale: To give states "skin in the game" and allow them to address unique local needs.
- Congressional Concern: Lack of specific details on implementation, funding formulas, and protections for vulnerable populations.

FY26 Rural Housing Funding & Challenges

- House Subcommittee Hearing on Rural Housing Needs:
 - Challenges: Aging housing stock (28-36% of homes built pre-1940), higher construction costs, limited contractors, 44% of rural renters cost-burdened (half severely).
 - Systemic Issues: Federal policies (e.g., mortgage interest deduction, GSEs) steer investment away from rural areas.
 - Regulatory Burdens: Environmental review, Build America Buy America, Davis-Bacon, Section 3 add 20-40% to construction costs.
 - Section 515 Mortgage Maturities: 75% of Section 515 mortgages mature over next decade, potentially displacing 250,000 families unless rental assistance is decoupled.

Senate FY26 USDA Appropriations Bill: Stronger Support for Rural Housing

- On **July 10**, the **Senate Appropriations Committee** approved the FY26 Agriculture, Rural Development, FDA, and Related Agencies Appropriations Act (**S.2256**), which contains more favorable funding levels for the **USDA Rural Housing Service (RHS)** compared to the House version.
- Key Funding Levels
 - Section 521 Rental Assistance: \$1.715 billion, equal to both the House and President's Budget Request, sufficient to renew all existing contracts.
 - Multi-Family Preservation & Revitalization (MPR): \$34 million, above the House level but below FY25.
 - Section 538 Guaranteed Loans: \$400 million, equal to House and White House levels.
 - Section 515 Rural Rental Housing: \$50 million, lower than House but consistent with the Administration's request.
 - Policy Continuity: Decoupling Pilot Expansion
 - The Senate bill also expands the decoupling pilot program created in FY24: Allows USDA-assisted properties with maturing mortgages to retain project-based rental assistance via stand-alone contracts. Increases eligibility from 1,000 to 5,000 units, addressing one of the most urgent preservation threats facing the rural affordable housing stock.

Congress Passes (OBBB)/Tax Bill: Positives

Proposed Increase in Affordable Rental Homes Financed Due to FY25 Reconciliation Bill

OVER 10 YEARS

12% increase in 9% LIHTC	Lowering the 50% Test	TOTAL
80,000	1,143,000	1,223,000
Source: Novogradac		NOVOGRADAC*

- One Big Beautiful Bill (OBBB); Signed into law on July 4th
- Strengthened Low-Income Housing Tax Credit (LIHTC)
 - Permanently increases LIHTC state allocations by 12%.
 - Reduces Private Activity Bond test from 50% to 25%.
 - Adds capacity for 1.22 million new affordable rental homes over 10 years.
- Corporate Tax Rate remains at 21%
- No Federal Income Tax on Tips and Overtime up to \$25,000 (phases out by income, FICA taxes still apply, Ends in 2029)
- Permanent Extension of Section 199A Pass-Through Deduction
- Bonus Depreciation Fully Restored
 - Reinstates and permanently extends 100% expensing (effective Jan. 20, 2025).
 - Covers leasehold improvements, systems, appliances, lighting, and solar panels.
 - Supports rental housing reinvestment and upgrades.
 - Expected to boost GDP by 0.6% and add 145,000 jobs.
- Opportunity Zones (OZ) Modernized and Expanded
- Permanent New Markets Tax Credit (NMTC)

Congress Passes (OBBB)/Tax Bill: Negatives

Proposed Increase in Affordable Rental Homes Financed
Due to FY25 Reconciliation Bill

OVER 10 YEARS

12% increase in 9% LIHTC	Lowering the 50% Test	TOTAL
80,000	1,143,000	1,223,000
Source: Novogradac		NOVOGRADAC*

- One Big Beautiful Bill (OBBB); Signed into law on July 4th
- Changes to Clean Energy Tax Credits; Solar & Energy Credits being phased out
 - Section 48E: Projects must begin within 12 months or be placed in service by 2027.
 - Section 179D: Projects must begin by June 30, 2026.
 - Section 45L: Expires June 30, 2026.
 - Scales back IRA energy incentives but maintains eligibility for current projects.
 - Electric Vehicle Credits Eliminated after September 30, 2025
- Congressional Budget Office (CBO) projects the law will increase the number of people without insurance by 10 million in 2034; and
- Increase the budget deficit by \$3.4 trillion over the 2025-2034

- The Affordable Housing Credit Improvement Act was reintroduced in both the House and Senate in April 2025. The bill has significant bipartisan support in both chambers. In the Senate: 30 total cosponsors including leads (15 Republicans and 15 Democrats); 59 percent of Finance Committee members. In the House: 131 total cosponsors including leads (66 Republicans and 65 Democrats); 67 percent of Ways and Means Committee members.
- Key Provisions of the AHCIA:
- <u>Increased Credit Allocations</u>: The bill proposes increasing the number of Low-Income Housing Tax Credits available to states by 50% for the next two years.
- <u>Permanent Increase</u>: It seeks to make permanent the temporary 12.5% increase in tax credits secured in 2018.
- Reduced Bond Requirements: The bill aims to reduce the amount of private activity bonds needed to secure Housing Credit funding from 50% to 25%.
- <u>Improved Program Implementation</u>: The AHCIA also includes provisions to improve the LIHTC program, such as addressing the needs of veterans, victims of domestic violence, and those in rural areas

Recent Legislation Introduced:

- Respect State Housing Laws Act, (S. 470/H.R. 1078) federal legislation that would end the CARES Act notice to vacate requirement.
- ➤ Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025
 - Senators Scott, Warren Announce Landmark Bipartisan Housing Legislation
 - The "ROAD to Housing Act" (Renewing Opportunity in the American Dream) is structured around four core pillars:
 - 1. Expanding and preserving housing supply
 - 2. Improving housing affordability and access
 - 3. Advancing accountability and fiscal responsibility
 - 4. Improving oversight and program integrity
 - ➤ Unanimous Committee Passage: The bill was unanimously approved by the Senate Banking Committee on July 29. The first markup on housing in 17 years.
 - ➤ NAHMA's Advocacy: We are actively engaging lawmakers, providing input, and advocating for both bill's swift passage.
 - ➤ Additional Information: Markup Recording; Section-by-section summary; Legislative text

Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025

- Key Provisions & Benefits:
 - Section 201 (RAD): Lifts the cap on the Rental Assistance Demonstration (RAD) program and codifies tenant protections, allowing more properties to leverage private capital for renovations.
 - Section 203 (Housing Supply Frameworks Act): Directs HUD to develop best practice frameworks to tackle restrictive zoning and local NIMBYism.
 - Section 208 (Streamlined Reviews Act): Aims to "right-size" NEPA reviews for small and infill projects, accelerating timelines and reducing costs for our members.
 - Section 206 (Build Now Act): Links CDBG funding to increased housing supply, incentivizing local governments to partner with us.
 - Section 501 (Disaster Recovery Act): Permanently authorizes CDBG-DR and creates a new Office of Disaster Management, providing long-term certainty for communities.
 - Section 502 (HOME Reauthorization): Reauthorizes the HOME program and proposes critical updates to improve its administration.
 - Section 503 (Rural Housing Service Reform Act): Decouples rental assistance from maturing mortgages to preserve rural affordable housing.
 - Section 405 (Choice in Affordable Housing Act): Seeks to reduce HUD inspection delays by allowing units financed through other federal housing programs to automatically satisfy voucher inspection requirements.

> Recent Legislation Introduced:

- Senator Adam Schiff (D-CA) recently introduced the Incorporating National Support for Unprecedented Risks and Emergencies (INSURE) Act (S. 2349). This legislation aims to create a federal catastrophic reinsurance program within the Department of the Treasury to cap insurance company liability during major disasters. The bill is co-sponsored by Senator Mazie Hirono (D-HI) and has companion legislation in the House.
- ➤ By offering a federally priced alternative to the private reinsurance market, the INSURE Act seeks to stabilize rates and ensure that homes remain insurable. While a welcome potential solution for many, it faces opposition from some insurance trade groups who argue it misdiagnoses the problem and could incentivize living in high-risk areas.

Executive Orders

Executive Orders And Actions

Housing Affordability, Immigration, Energy, Federal Workforce (RTO, Ending DEI, Hiring Freeze, Reduction); Regulatory Freeze And Review; Ending CDFIs And the Interagency On Homelessness; Homelessness (*Lawsuits Challenging a Range of EOs And DOGE Actions*);

Trade/Tariffs

<u>Early April</u>: President announced 10% Tariffs on all countries and steeper reciprocal levies on goods from other nations, including Europe, Japan and China. Trade negotiations continue

July 2025: New Reciprocal Tariffs and the Elimination of the De Minimis Exemption: modified "reciprocal" tariffs on most countries, with updated duties ranging from 10% to 41%.

Increased Costs Are Risk To Industry and Consumers (Lumber, Steel, Aluminum, and Imported Supplies)

Executive Order on Ending Crime and Disorder on America's Streets (Homelessness EO)

Executive Orders And Actions

Core Policy Shift:

From "Housing First" to Enforcement: Moves away from the longstanding "Housing First" model (housing without preconditions) towards a focus on public safety, civil commitment, and mandatory treatment

Emphasis on Involuntary Treatment: Directs federal agencies (HUD, DOJ, HHS, DOT) to support civil commitment and institutional treatment for unsheltered individuals with serious mental illness or substance use disorder who are unable to care for themselves.

Grant Prioritization: Prioritizes federal grants to jurisdictions that actively enforce laws against: Open drug use, Unauthorized camping, Squatting

Implications for Affordable Housing & Vulnerable Populations: Potential shifts in federal funding for programs and housing options, potentially affecting demand for certain affordable housing units previously supported by "Housing First" principles.

Local Enforcement Incentives: Incentivizes municipalities to adopt more stringent measures against visible homelessness, potentially increasing law enforcement interaction rather than social service engagement.

Barriers to Assistance: Mandating treatment participation as a condition for housing assistance could create new barriers for individuals, potentially perpetuating cycles of homelessness.

Resources: White House **Factsheet** on the EO is available <u>HERE</u>. The **EO** is available <u>HERE</u>

Request for Information (RFI): Deregulation

April 11 - FR Notice by the White House, Office of Management and Budget (OMB)

Summary: OMB seeks proposals to rescind or replace regulations that, "stifle American businesses and American ingenuity. We seek comment from the public on regulations that are unnecessary, unlawful, unduly burdensome, or unsound. Comments should address the background of the rule and the reasons for the proposed rescission, with particular attention to regulations that are inconsistent with statutory text or the Constitution, where costs exceed benefits, where the regulation is outdated or unnecessary, or where regulation is burdening American businesses in unforeseen ways."

Deadline was May 12, 2025.

HUD/DOGE

- HUD and DOI Announce <u>Joint Task Force To Use Federal</u> <u>Lands for Affordable Housing</u>
- 2. <u>HUD Secretary Scott Turner Launches DOGE Task Force</u> to Eliminate Waste, Fraud and Abuse
- DOGE Website
- Reduction: 50%; Field Offices: 50% Agency RIF Plans submitted on March 14; Another "Fork in the Road" deadline was April 11.
- HUD Secretary Turner pushes back on cuts in <u>post on X</u> and recent Fox News Interview
- Senators Rounds (R-SD) and Reed (D-RI) lead <u>Bipartisan</u>
 <u>Letter Urging Against HUD Field Office Closures</u> (March 12)

HUD

- 1. HUD Revamps its Website
- 2. HUD <u>Announces</u> New Headquarters in Alexandria, VA
- 3. HUD <u>announced</u> the Federal Housing Administration (FHA) will propose an across-the-board leveling of its Upfront Capitalized and Annual Mortgage Insurance Premiums (MIPs) to 25 basis points for all Multifamily program categories; Eliminate the Multifamily Green and Energy Efficient Mortgage (Green MIP)
- 4. HUD, Ginnie Mae, and Korea Housing Finance
 Corporation Sign Agreement to Advance
 Affordable Housing and Strategic Housing
 Finance Cooperation

HUD (Noncitizen/ Immigration)

- 1. HUD and DHS Secretaries <u>Establish Partnership on</u>
 <u>"American Housing Programs for American Citizens"</u>
 - Memorandum of Understanding (MOU), to end the wasteful misappropriation of taxpayer dollars to benefit illegal aliens instead of American citizens.
 - HUD will provide a full-time staff member to assist in operations at the Incident Command Center (ICC), establishing an interagency partnership to facilitate data sharing and ensure taxpayer-funded housing programs are not used to harbor or benefit illegal aliens.
 - HUD, through its office of PIH, instructed Moving to Work (MTW) Public Housing Authorities (PHAs) to comply with Section 214 of the Housing and Community Development Act of 1980, prohibiting HUD-funded service providers from providing financial assistance to illegal immigrants.

HUD (Noncitizen/ Immigration)

- 2. HUD Secretary Turner <u>Doubles Down on Ensuring HUD</u>
 <u>Resources Do Not Benefit Illegal Aliens</u>
 - April 2025 Letter sent to HUD Grantees and Stakeholders:
 - "I directed HUD senior leadership to review our programs and institute mechanisms that can ensure that HUD programs are compliant with President Trump's Executive Order. For example, going forward, grant agreements will include language that will require compliance with Executive Order 14218, and the Department will take steps to ensure that Federal resources are not used to support "sanctuary" policies of State and local jurisdictions that actively prevent federal authorities from deporting illegal aliens."
- 3. Forthcoming Actions: HUD may soon republish/update a 2019 rule that would have ended rental assistance proration for "mixed status households": Housing and Community

 Development Act of 1980: Verification of Eligible Status (This 2019 version was withdrawn in 2021)

HUD OIG Audit: Critical Challenges in Improper Payment Reporting

- Improper Payments:Information on Agencies' Fiscal Year 2024
 Estimates (GAO, March 2025) and HUD OIG Audit Finds HUD
 Could Not Test Improper Payments for 8th Consecutive Year
 (May 2025)
 - Key Takeaway: For the eighth consecutive year, HUD has failed to accurately estimate improper payments for its two largest rental assistance programs (TBRA and PBRA), raising significant concerns about taxpayer fund integrity.
 - HUD Oversight Concerns:
 - Lack of Coordination: HUD leadership has failed to effectively coordinate across offices.
 - Decentralized Administration: Thousands of local housing administrators determine payment amounts and eligibility, complicating oversight.
 - No Clear Plan: Prior OIG audits consistently highlight the absence of a detailed plan and timeline for addressing noncompliance.

HUD OIG Audit: Critical Challenges in Improper Payment Reporting

- Recent Action: Early July Audit Notification sent to selected Owners/Properties Improper Payment Estimate for HUD's Multifamily Project-Based Rental Assistance (MF-PBRA) Program:
- To develop estimate, HUD OIG will test a sample of June 2025 HAP and annualize results to produce an estimate for one year. OIG use the TRACS data to select a statistical sample of tenants and review relevant documentation to ensure that the HAP from the owner was calculated correctly and supported by all necessary documentation.
- OIG working directly with the property owners and project-based contract administrators (PBCAs) to obtain documentation and information to conduct our audit. Audit is underway and target completion of testing by April 2026.

HUD Proposed Rule: Rescission of Affirmative Fair Housing Marketing Regulations

- NAHMA Filed Comments on Proposed Rule: HUD has published a proposed rule to rescind its Affirmative Fair Housing Marketing (AFHM) regulations.
- AFHMP process has imperfections, rescinding these regulations would create an alarming regulatory vacuum and expose housing providers to increased legal risk.
- Modernization, Not Elimination, Is the Appropriate Path Forward
- A modernized AFHMP framework could incorporate:
 - Data-based outreach strategies reflecting current demographics and communication channels
 - Digital marketing practices that reach diverse populations effectively
 - Streamlined submission processes reducing administrative burden
 - Clear guidance on when to submit plans for review
- No Adequate Replacement Exists to Ensure Fair Housing Marketing

Upcoming HUD Regulations (Aug – Sept/Oct)

- > HUD LEP Guidance Email to HUD Staff
- ➤ Repeal of 30-day Notification Requirements for the Termination of Lease for Nonpayment of Rent (likely Interim Final Rule) ETA: Aug/Sept
- ➤ Housing and Community Development Act of 1980: Verification of Eligible Status/Mixed Status (likely Proposed Rule) — ETA — Aug/Sept
- Establishing Flexibility For Implementation Of Work
 Requirements And Term Limits in HUD- Assisted
 Housing Programs (likely Proposed Rule) ETA Sept
- NSPIRE Standards Revised (Notice for Comments) ETA - October

Upcoming
HUD Regulations
(Aug – Sept/Oct)

- Repeal of 30-day Notification Requirements for the Termination of Lease for Nonpayment of Rent (likely Interim Final Rule) – ETA: Aug/Sept
- HUD Secretary's Request: Off the record // Not for Distribution: "HUD expects to soon announce streamlined and simplified eviction guidance for non-payment of rent in HUD-supported housing. This action eliminates an antiquated COVID-era standard, undoing burdensome and costly rules promulgated by the Biden administration that required public housing agencies (PHAs) and property owners receiving HUD funding to provide 30 day written notification for nonpayment of rent prior to eviction. With this action, HUD is restoring a clear and unified policy for PHAs and owners of properties receiving project-based rental assistance (PBRA) that will help address housing affordability concerns and strengthen the functioning of the housing assistance programs we administer."

Upcoming
HUD Regulations
(Aug – Sept/Oct)

- > HUD LEP Guidance Email to HUD Staff
 - Implementing the <u>DOJ Memo</u> (dated July 14th) to implement Executive Order
 - >HUD to discontinue LEP Website and Translations
 - 'One Voice, One Language' Policy (Englishonly)
 - ➤ News Articles: Mortgage Point;
 - Recommend Downloading <u>LEP Documents</u>

 <u>Materials</u> (NAHMA has access to the documents from industry partners who have them downloaded).

PHAs ask for Rent Freeze due to Likely Voucher Shortfall



8129 Kinsman Road Claveland, OH 44104

T - 216-431-1471 F - 216-348-4925

8/6/2025

RE: Request to Forgo Rent Increase

Dear Landlord/Property Manager:

Due to potential federal underfunding, the Cuyahoga Metropolitan Housing Authority (CMHA) is preparing to face a significant voucher budget shortfall by the end of the calendar year. To preserve subsidy payments to landlords like you and prevent the termination of Housing Assistance Payment (HAP) contracts, which could result in the displacement of families in our Housing Choice Voucher (HCV) program, we are implementing various cost-saving measures.

In light of this, we respectfully request your consideration to forgo any proposed rent increases for the remainder of the calendar year for your property(ies) under the CMHA HCV program. Your support in this matter would significantly contribute to our efforts to mitigate the shortfall and ensure continued stability for tenants and the program.

We greatly value your partnership and commitment to providing affordable housing. Please feel free to contact the Client Information Center (CIC) 216-431-1471 option 1, to discuss this further or if you need additional information.

Thank you for your time and consideration.

Dorivette Nolan

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Chief of Policy, Planning and Voucher Administration

The Cuyahoga County Metropolitan Housing Authority wrote a letter this month that asked its landlords to not raise rents. Letter from CMHA

HUD: HOTMA Forms Updated on MFH Drafting Table

- The Office of Multifamily Housing Programs (MFH) published updated Housing Opportunity Through Modernization Act of 2016 (HOTMA) related forms to the <u>Drafting Table</u> to ensure stakeholders have adequate time to consider and offer comment on proposed changes to these forms.
- As required by the Paperwork Reduction Act (PRA), the forms were made available for public comment via <u>Federal Register Notice</u> published on July 9, 2024. The versions of the forms now posted on this Drafting Table reflect revisions made since the close of the 60-day comment period.
- For questions regarding the HOTMA related forms, please contact MFH HOTMA@hud.gov.

LIHTC: Tax Policy

- In Early March, Novogradac, AHTCC, Enterprise, NAHB, NAHMA, NCSHA, and NMHC, sent a request to IRS clarification on income and rent limits relating to the Housing and Economic Recovery Act of 2008 ("HERA") The IRS has not issued any formal guidance as to how two policies should be implemented: (1) HERA Special adjustment for counties with no income decrease in 2007 or 2008 due to HUD's hold harmless policy, (2) HERA Hold Harmless provision to prevent income limits from decreasing; As more projects are reaching year 15 and income limits are increasingly volatile the industry has critical questions about how the hold harmless and HERA Special limits should be applied.
- ➤ IRS Publishes <u>Population Figures</u> to Calculate LIHTC, Private Activity Bond Cap for CY 2025 (April 14th)

Rural Housing Updates

- April 2: RD Removes DEIA Scoring Criteria from MPR and TA Grant Programs
 - RD will not consider previous Administration DEIA-based "key priorities" and discretionary points while scoring applications submitted under the following programs: Multifamily Housing Preservation and Revitalization Program and the Multifamily Housing Technical Assistance Grant Program.
 - Applicants do not need to withdraw, submit a new or revised application, or supplement their application. The program will review the application consistent with this notice.
 - Stakeholder Announcement

Rural Housing Updates

- USDA Update: MFH Handbook 2-3560 Chapter 6 Updates for HOTMA Implementation
- To accommodate the required HOTMA changes, Rural Development (RD) published updates to <u>Chapter 6 Handbook 2-3560</u> on June 13, 2025. All MFH tenant certifications effective on or after July 1, 2025, must comply with HOTMA requirements. However, between July 1, 2025, and January 1, 2026, RD will not penalize MFH owners for HOTMA-related tenant file errors during supervisory reviews.
- For previously published RD HOTMA guidance :
- <u>Unnumbered Letter published August 19, 2024</u>, HOTMA Overview and projected timeline, with notable changes:
 - On October 3, 2024, MFH announced a delay in the implementation of HOTMA from January 1, 2025, to July 1, 2025.
 - RD has made a change in how unborn children are considered. Unborn children will be considered when determining household eligibility in regard to income. A pregnant women will be considered a two-person household and will qualify under the income limits of a two-person household. The household will not receive a \$480 deduction until after the child is born. This aligns RD with other affordable housing programs like HUD and LIHTC.
- The updated Form RD 3560-8 Tenant Certification was published on December 6, 2024 (revised on April 18, 2025) and is available on the <u>eForms</u> The previous form has been re-numbered RD3560-8A to be used for tenant certifications effective prior to July 1, 2025.

Advocacy Resources



Share Your Story About LIHTC's Impact with Lawmakers



Adovacy Resources, Factsheets, and Guides

2025 In-District Advocacy Guide

Learn how to advocate for the Affordable Housing Credit Improvement Act (AHCIA) in your home district! Whether you have 5 minutes, 15 minutes, or more, use this guide to learn how to talk about the Housing Credit, how to write a letter to your congressmember or op-ed, how to create a resident testimony video, and more!

Read about the advocacy actions that you can take below!



Advocate on social media



Key messages to use with legislators



Invite your leaders to visit a property





Meet with your representatives

Find out how



Write an op-ed or letter to the editor



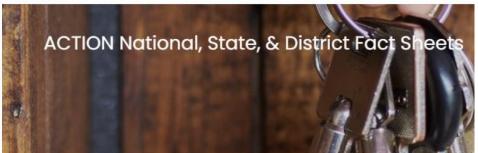
Make a resident testimonial video

Read more





ABOUT ADVOCACY RESOURCES Y BLOG Y CONTACT US Y Search.



Check out ACTION's National Fact Sheet to see the impact of the Housing Credit across all US states and territories. Click on your state below to access ACTION's State and Congressional District Fact Sheets:



Additional Resources

View more information on the ACTION Fact Sheets' data sources and methodologies.

View our full list of ACTION Campaign Members.

View Novogradac's "LIHTC Mapping Tool," where advocates can find state and district maps of Housing Credit properties to

LIHTC's Impact in the U.S.

- ACTION Campaign National and State Factsheets
- ➤ The Housing Credit's Benefits For Low- Income Families And The Economy (1986 2023):
- > 4 million homes developed or preserved
- > 9.28 million low-income households served
- > 6.6 million jobs supported for one year
- > \$268.1 billion in tax revenue generated
- > \$746.5 billion in wages & business income generated
- ➤ Up to 1,589,100 additional affordable homes could be financed across the United States by the primary unit financing provisions in the Affordable Housing Credit Improvement Act.

Low-Income Housing Tax Credit

Impact in the United States



The ACTION Campaign represents over 2,400 organizations and businesses working to address our nation's severe shortage of affordable rental housing by supporting the Low-Income Housing Tax Credit.

The Housing Credit's Benefits For Low-Income Families And The Economy, 1986 - 2023



million

homes developed or preserved



9.28 million

low-income households served



6.6 million

jobs supported for one year



\$268.1 billion in tax revenue generated



\$746.5 billion

in wages & business income generated

The Need for Affordable Housing Though the Housing Credit has had a tremendous impact across the country, much more affordable housing is still needed to meet the growing demand.



11.34 million renter households nationwide pay more than half of their monthly income on rent, leaving too little for other expenses like health care,

transportation, and nutritious food.



In order to afford a one-bedroom apartment at the national average fair market rent, a minimum wage worker has to work 80 hours per week. The Low-Income Housing Tax Credit (Housing Credit) is a proven solution to help address the affordable housing crisis.

The Housing Credit is our nation's most successful tool for encouraging private investment in affordable rental housing.

It has financed 4 million homes for low-income families and individuals nationwide since 1986.

The ACTION Campaign calls on Congress to:

- Expand the Housing Credit to address the severe shortage of affordable housing.
- Strengthen the Housing Credit to maximize impact in communities facing the greatest need.
- Enhance multifamily Housing Bonds, which provide critical financing to over half of all Housing Credit homes.

Addressing Our Nation's Severe Shortage Of Affordable Housing



Up to 1,589,100 additional affordable homes could be financed across the United States and territories by the primary unit financing provisions in the Affordable Housing Credit Improvement Act.

Visit rentalhousing action.org for data sources and methodologies.

Updated April 2025 rentalhousingaction.org

Key Affordable Housing Lawmakers in MAHMA States – **Senate Banking** Committee

- The Senate Committee on Banking, Housing and Urban Affairs (Senate Banking Committee) oversees legislation and other matters related to financial institutions, economic policy, housing, transportation, urban development, international trade and finance, and securities and investments.
- The Committee's Subcommittee on Housing, Transportation, and **Community Development** oversees transportation, housing, rental assistance, and community development programs.
- Keys Members of the Senate Banking Committee are listed below:
- **Majority Members**
 - Bernie Moreno (R-OH)



Sen. Bernie Moreno 🔞 он



Serving in Senate since January 2025 | Up for re-election in November 2030 | Up for re-election in November 2030

Main Office

284 Russell Senate Office Building, Washington, DC 20510

Phone: 202-224-2315

Key Affordable Housing Lawmakers in MAHMA States – **Senate Appropriations** Committee

- The Senate Committee on Appropriations (Senate Appropriations **Committee)** writes the legislation that allocates federal funds to the numerous federal agencies, departments, and organizations on an annual basis.
- The Committee's Transportation, Housing, and Urban Development (THUD) Subcommittee has jurisdiction over funding for the Department of Transportation and HUD programs. The Committee's Agriculture, Rural Development, Food and Drug Administration, and **Related Agencies (Agriculture)** has jurisdiction over USDA programs.
- Members of the Senate Appropriations Committee are listed below: **Minority Members**
 - Gary Peters (D-MI)



Sen. Gary Peters D MI

Serving in Senate since January 2015 | Up for re-election in November 2026 Up for re-election in November 2026

Main Office

724 Hart Senate Office Building, Washington, DC 20510

Phone: 202-224-6221

Industry Updates & Resources

- Regulation Increases Housing Costs, New Study Finds (MetroSight Research, sponsored by NAA and NMHC)
- NLIHC: The Gap A Shortage of Affordable Homes
- Harvard JCHS (report) <u>State of Nation's Housing 2025</u>
- Harvard JCHS (Paper) Household and New Housing Unit Demand Projections for 2025–2035 and 2035–2045 and Deteriorating Rental Affordability An Update on America's Rental Housing 2024
- NAAHL Special Report: <u>The Real Cost of Cuts to HUD, USDA, and Treasury</u>
- Implications of Further HUD Staffing Cuts on the Housing Sector (Ben Metcalf, March 13)
- Trump administration throws hundreds of affordable housing projects into limbo after contract cuts (AP, March 7)
- Urban Institute: <u>Evaluating Rent Reporting as a Pathway</u> to Build Credit
- SAHF: Housing Stability Cohort: A Practitioner's Guide