TRUECOMPLIANCE SOLUTIONS

2026 COMPLIANCE UPDATES WHAT OWNERS NEED TO KNOW

Affordable Housing Owner Resource

Affordable Housing Compliance

Protect Assets. Reduce Risk. Preserve Value.

2026 Edition

Affordable housing compliance in 2026 is not defined by one universal deadline. Owners may be managing active HOME rule changes, preparing for HUD Multifamily HOTMA implementation, applying newly released income and rent limits, responding to updated lead requirements, and following separate USDA Rural Development instructions—all at the same layered property.

The most important owner responsibility is to identify which rules apply to each property, when they became effective, and whether policies, software, forms, files, and staff practices tell the same compliance story.

1. The Revised HOME Rule Is Now in Active Compliance

HUD's revised HOME Investment Partnerships Program rule reached a major implementation point in 2026. Except for provisions with delayed implementation dates, compliance with the rule was required beginning April 20, 2026.

The revised rule affects areas that may include HOME-assisted rental housing, tenant protections, affordability requirements, homeownership activities, Community Housing Development Organizations, and participating-jurisdiction oversight. The exact effect on an individual property depends on the project, written agreement, funding commitment, transition provisions, and instructions issued by the participating jurisdiction.

What owners should do:

- Obtain written direction from the participating jurisdiction identifying which revised requirements apply to the property.
- Review leases, addenda, tenant notices, selection procedures, unit-designation practices, inspection processes, and compliance checklists.
- Document the rule version and effective date used for each policy change.
- Train site and compliance staff before reviewing files under the revised standard.

2. HUD Multifamily's Full HOTMA Deadline Moved to 2027

HUD's Office of Multifamily Housing Programs extended the deadline for full compliance with HOTMA Sections 102 and 104 and HUD's revised income and asset documentation standards. The prior January 1, 2026 deadline was moved to January 1, 2027.

This extension should not be treated as permission to stop preparing. HOTMA affects major areas of tenant certification, including income, assets, deductions, hardship provisions, interim reexaminations, policies, forms, systems, and resident communications. HUD also issued additional 2026 guidance affecting interim reexaminations.

What owners should do:

- Maintain a written HOTMA implementation plan with policy, software, training, form, and file-review milestones.
- Confirm which requirements are already applicable and which are tied to the extended compliance date.
- Do not combine old and revised calculation rules within the same certification without documented authority.

- Coordinate implementation decisions with the contract administrator, software provider, compliance team, and legal counsel when needed.

3. New 2026 Income and Rent Limits Took Effect on Different Dates

Owners should not assume that all affordable housing limits became effective on the same date. In 2026:

- HUD's FY 2026 Section 8 income limits became effective May 1, 2026.
- FY 2026 Multifamily Tax Subsidy Project income limits, used for LIHTC and certain tax-exempt bond properties, became effective May 1, 2026.
- FY 2026 HOME income and rent limits became effective June 1, 2026.
- FY 2026 Housing Trust Fund income and rent limits became effective June 1, 2026.
- USDA Rural Development posted FY 2026 Multifamily Housing income limits effective July 13, 2026.

Layered properties must use the correct limit for each program and apply any hold-harmless, gross-rent, utility-allowance, or agency-specific rule that governs the project. HUD specifically cautions that ordinary Section 8 income-limit data may not be appropriate for LIHTC or tax-exempt bond properties; those projects should use the official MTSP limits.

What owners should do:

- Record the date each limit set was downloaded, approved, and placed into use.
- Test software tables against the official agency source instead of relying only on an automatic update.
- Review certifications and rent changes that cross an effective date.
- Retain the limit schedule used to support every eligibility or rent decision.

4. HUD Issued a Reduced Lead-Response Trigger

HUD issued 2026 guidance implementing a reduced elevated blood lead level triggering response in certain assisted target housing. Properties covered by the notice should review how the change affects owner response, notification, environmental investigation, hazard reduction, recordkeeping, and coordination with public health agencies.

What owners should do:

- Determine whether the property is covered assisted target housing.
- Update the lead-response procedure and emergency contact list.
- Confirm that management understands the revised trigger and required response timeline.
- Use qualified lead professionals and retain complete evidence of notices, testing, investigation, correction, and clearance.

5. USDA Rural Development Owners Have Separate 2026 Requirements

USDA Rural Development operates under its own regulations, handbooks, Administrator's exceptions, and Multifamily Housing instructions. USDA posted FY 2026 Multifamily Housing income limits effective July 13, 2026 and continues to provide owner and management-agent resources for tenant recertification, budgets, reserve requests, and HOTMA-related administration.

Owners of layered HUD, LIHTC, HOME, and Rural Development properties should not assume that one agency's HOTMA timeline or verification procedure automatically controls another program.

What owners should do:

- Use the current Rural Development limits, handbooks, forms, and servicing instructions.
- Confirm program-specific income, asset, and verification rules before completing certifications.
- Review 2026 budget, reserve, financial-reporting, and servicing requirements with the assigned servicing office.
- Document how conflicts at layered properties were resolved.

6. LIHTC Owners Should Verify Forms, Elections, and State Requirements

The IRS posted a 2026 clarification to the Instructions for Form 8609 for projects financed with tax-exempt bonds. Form 8609 remains a controlling building-level document, and state housing credit agencies may issue their own 2026 forms, limits, utility-allowance instructions, monitoring procedures, and annual certification requirements.

What owners should do:

- Confirm that each building's executed Form 8609 and elections are retained and reflected in compliance procedures.
- Review the current state allocating-agency manual and annual owner-certification requirements.
- Use official 2026 MTSP limits and the correct utility allowance.
- Document corrections quickly; unresolved noncompliance may be reportable to the IRS on Form 8823.

Owner Action Checklist for the Rest of 2026

1. Create a compliance calendar organized by property and funding layer.
2. Update the regulatory matrix for HUD, LIHTC, HOME, HTF, USDA, and state or local requirements.
3. Confirm that current income limits, rent limits, utility allowances, and forms are in use.
4. Complete a targeted audit of move-ins, recertifications, interim changes, transfers, and notices processed near an effective date.
5. Review tenant selection plans, leases, addenda, VAWA procedures, reasonable-accommodation procedures, lead protocols, and document-retention policies.
6. Track every finding to verified correction and determine whether the issue is isolated or systemic.

7 Require written evidence when management reports that an update has been implemented.

The Bottom Line

In 2026, the greatest compliance risk is not simply missing a new rule. It is implementing the correct rule at the wrong time, using the wrong program limit, or applying one program's procedure to a differently regulated layer.

Owners should expect their management and compliance teams to identify the controlling authority, document effective dates, test system updates, train staff, and preserve evidence. Strong implementation protects subsidy, tax credits, residents, and long-term property value.

> Important: This article is a general educational resource and does not replace project-specific legal, tax, regulatory, or agency guidance. Owners should review governing agreements and consult the appropriate agency or qualified professional before changing compliance procedures.

Official Resources

- HUD Multifamily HOTMA Resources
  https://www.hud.gov/hud-partners/multifamily-hotma
- HUD Exchange: 2025 HOME Final Rule Training
  https://www.hudexchange.info/trainings/courses/home-final-rule-training/
- HUD FY 2026 Income Limits
  https://www.huduser.gov/portal/datasets/il.html
- HUD FY 2026 MTSP Income Limits
  https://www.huduser.gov/portal/datasets/mtsp.html
- HUD FY 2026 HOME Income Limits
  https://www.huduser.gov/portal/datasets/HOME-Income-limits.html
- HUD FY 2026 HOME Rent Limits
  https://www.huduser.gov/portal/datasets/HOME-Rent-limits.html
- HUD Housing Notices, including 2026 HOTMA and Lead Guidance
  https://www.hud.gov/hudclips/notices/hsg
- IRS Form 8609 and 2026 Instruction Updates
  https://www.irs.gov/forms-pubs/about-form-8609
- USDA Rural Development Multifamily Housing Resources
  https://www.rd.usda.gov/programs-services/multi-family-housing-programs
- USDA Rural Development Handbooks
  https://www.rd.usda.gov/resources/directives/handbooks

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