

HOME/NHTF RENT APPROVAL GUIDELINES: 2026

The 2026 HOME and National Housing Trust Fund (NHTF) income and rent limits were published on May 8, 2026, with a June 1, 2026 effective date.

HOME and NHTF regulations require that PJs review and approve rents each year. The Iowa Finance Authority (IFA) is responsible for approving rents for all HOME and NHTF-assisted units funded through these two programs currently being administered by IFA. This ensures that rents comply with the HOME or NHTF rent limits and do not result in undue increases from the previous year that would be difficult for low-income households to afford. Decreases in HOME or NHTF limits may also necessitate a change in HOME or NHTF rents; therefore, a review of rents by IFA of all HOME or NHTF projects is required annually. [See §92.252(f)(2)].

IFA encourages owners to increase rents no more than what is needed to keep pace with rising costs and recognize that to promote housing stability, incremental increases of 2-3% are easier for residents to absorb than sudden significant increases. IFA will be monitoring the increases more closely moving forward which could result in more stringent guidelines.

Each project with HOME or NHTF funds from the State of Iowa is required to submit the IFA-required *HOME/NHTF Rent Approval Worksheet* within **45 days** of the effective date of the new HOME and NHTF income and rent limits (even if an increase is not being requested). **The deadline for submission of this form and supporting documents (as applicable) is July 15, 2026.**

If your project has not submitted the *HOME/NHTF Rent Approval Worksheet* and supporting documents by the deadline, you will be issued a State Notice of Noncompliance. Submission of the worksheet will correct the noncompliance. Please note that any requests for rent increases made after this date will be denied and the project will not be eligible for a rent increase for HOME or NHTF units until the 2027 rent limits are published by HUD.

GENERAL GUIDELINES

- All HOME or NHTF projects must report anticipated rents for their project based upon the published HOME or NHTF rent limits on the IFA-required *HOME/NHTF Rent Approval Worksheet*.
- If, in addition to HOME or NHTF, the project also has a contract for project-based Section 8 or RD, anticipated rents must still be reported to IFA. The most recent rent approval documentation from RD or HUD must be submitted with the worksheet.
- **New this year**, IFA is requesting that projects identify their units that are currently covered by project-based vouchers (PBV) or Housing Choice Vouchers (HCV). This reflects the HOME rule change that after 2025, HOME gross rent excludes any tenant- or project-based rental subsidy the family receives where the family pays 30% of adjusted income or 10% of annual income.
 - HOME rent limits are applied differently to units with HOME tenants that receive federal tenant- or project-based rental assistance subsidy as described above. For example, in a unit with a HOME-assisted household receiving a HCV administered by their local PHA,

the local payment standard dictates what the PHA will pay for a unit, not the HOME rent limit. Owners/managers can collect the full standard for the area for HOME units, and tenants pay their share, even if it exceeds the usual HOME limit.

- *NHTF NOTE: NHTF includes tenant-based subsidy when determining compliance with rent rules. It does, however, allow owners to collect full subsidy for project-based rental assistance.*
- An IFA *Compliance Update* will be sent to all owner/management contacts via email when the updated limits are published and posted on the IFA Compliance Resources web page. The worksheet is due to IFA within 45 days after the HOME or NHTF rent limits are effective.
- The effective date of a proposed rent increase must be at least one year from the effective date of the property's last approved rent increase.
- A notice to residents of the property's intention to submit a rent increase to IFA for approval must be made available to all households in HOME- or NHTF-assisted units at least **15 days** prior to submitting the rent increase to IFA for approval. **A copy of the notice sent to residents must be attached to the worksheet in order for IFA to process the rent increase request.**
- **New this year**, existing residents must be given a **60-day** notice before implementing any approved rent increase.
- Decreases resulting from lower HOME or NHTF rent limits or increases in utility allowances must be made in accordance with the tenant's current lease.
- In 2019, IFA dropped the requirement to submit financials and budgets to support a rent increase request. However, IFA reserves the right to request additional information to support a proposed rent increase as we review such requests.

WHERE TO SUBMIT

Email: HomeRentandUA@iowafinance.com

This method is preferred. Please place the project name and project number in the subject line.

OR

Regular Mail: Iowa Finance Authority
c/o Tim Morlan, Asset Management Director
1963 Bell Ave, Ste 200
Des Moines, IA 50315