

DATE: June 13, 2025

TO: HOME Development Owners/Managers

SUBJECT: 2025 HOME Final Rule

On January 6, 2025, HUD published the 2025 HOME Final Rule in the Federal Registry. Additional guidance was published in the Registry on April 17, 2025 indicating that the HOME Final Rule is effective as of April 20, 2025 with the exception of two (2) provisions that require additional public comment. The following items of the 2025 HOME Final Rule apply to Rental Housing monitored by Alaska Housing Finance Corporation (AHFC) as detailed below.

- Income Determinations
- Rents
- Utility Allowances
- Inspections

Income Determinations

The 2025 HOME Final Rule allows the Participating Jurisdiction (PJ) to accept income determination completed by Federal, State and local public assistance programs for households occupying HOME assisted units. AHFC will accept income determinations from the following agencies:

- Public Housing Authority
- USDA Rural Development
- Other HUD Programs (236, 202, 811, etc.)
- Social Security
- Public Assistance

In order to comply with the above provision, a representative of an agency must provide a written statement documenting the household's composition and annual income within the past twelve (12) months. Examples of acceptable verifications include:

- HUD Form 50058 (Family Report)
- HUD Form 50059 (Owner's Certification of Compliance)
- USDA Form 3560 (Tenant Certification)
- Third party verification of benefits detailing household composition and annual income

Tenant files must include an application (or questionnaire) detailing household composition, the Tenant Income Certification (TIC) and the aforementioned written statement from the administrator of the program that verified income eligibility. Owners are allowed to accept the above verifications for income determination at move-in and for annual recertifications.

Rental Assistance

The 2025 HOME Final Rule allows Owner's to collect the full amount of rental assistance regardless of the household's status as a Low or High HOME unit for both Project Based and Tenant Based rental assistance as long as the household does not pay rent in excess of 30% of the household's monthly adjusted income.



Utility Allowances

The 2013 HOME Final Rule eliminated the option to use the Public Housing Authority (PHA) utility allowance for developments that were funded after the 2013 HOME Final Rule was implemented. This caused an issue for households receiving rental assistance that required the use of the PHA utility allowance. As such, HUD is allowing the use of the PHA utility allowance.

To ensure compliance with the tenant based rental assistance programs, AHFC will now require the use of the PHA utility allowance for developments located in an area served by a PHA. Developments that were previously using a development specific utility allowance that do not have project based rental assistance (i.e. USDA 515 program or HUD project-based assistance program) must transition to the PHA utility allowance no later than December 31, 2025. Owners are required to provide a minimum 30-day notice to the residents should this result in a rent change to the household.

The AHFC utility allowance can be obtained on the AHFC website here: www.ahfc.us/tenants/resources/utility-allowances

Inspections

The PJ is required to establish property standards for rental housing, and at a minimum, complete physical inspection at least every three (3) years. AHFC has adopted the National Standard for the Physical Inspection of Real Estate (NSPIRE) inspection protocol for HOME developments. Under the 2025 HOME Final Rule, the PJ is allowed to accept inspections from other agencies that have completed an NSPIRE inspection of the development within the past twelve (12) months.

If a development has had an inspection completed by another agency and would like AHFC to accept the inspection, the Owner should submit a copy of the inspection when providing the annual Secure Document Request, or submit the inspection when AHFC staff reach out to schedule the site inspection. **AHFC retains the right to complete our own inspection.**

Should you have any questions regarding the 2025 HOME Final Rule or the HOME program in general please feel free to contact me at 907-330-8414 or via email at jgatfield@ahfc.us

Regards,

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