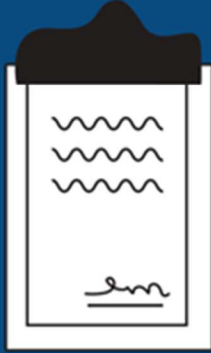




US Housing
CONSULTANTS



The State of Affordable Housing (Sept 2025)



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Note: There may be areas of the manual that will not be covered during the allotted time and the information is supplied as supplemental information.

Overview

2025 has certainly been an interesting year for the affordable housing industry. We have seen new regulations roll out, while some regulations are being rolled back, and the overall landscape is shifting.

It isn't all good news, but it isn't all bad news either.

As we reflect on the state of the industry, it is important to remember the housing industry has been adapting to change for decades and decades. And just as important, any shift whether positive or negative is not guaranteed to stay permanent.

Change is constant, and our industry continues to adjust and move forward.

The State of HUD

Housing Opportunity Through Modernization Act

The deadline for mandatory compliance with HOTMA for HUD Multifamily properties is January 1, 2026. While that date is close, HUD has not yet released the final TRACS 203A software, updated forms, or new model leases that PHAs and Owner/Agents will need in order to fully comply.

The timing creates a real challenge. Owner/Agents are already processing annual recertifications effective January 1, 2026, and very soon they will begin working on certifications effective February 1, 2026. Based on HUD's current guidance, these certifications are expected to be HOTMA-compliant, but the tools to make that possible are still missing.

While HUD did issue guidance for Owner/Agents who adopt HOTMA early, utilizing the "[Rent Override](#)" function in TRACS as a workaround, HUD has not yet provided guidance on handling certifications effective after 1/1/26 if TRACS 203A has not been released.

Complicating matters further, Owner/Agents are also waiting for HUD to publish the revised model lease, the updated 50059 certification, and the new 9887 consent forms. Until those pieces are finalized, Owner/Agents are left preparing for a compliance deadline without the full set of tools needed to meet it.

HOME Final Rule

While HUD's HOME 2025 Final Rule took effect on April 20, 2025, new tenant protections were delayed until April 20, 2026.

The Final Rule streamlines income determinations by allowing PJs to rely on public assistance and subsidy program data, strengthens property standards with energy-efficiency and safety requirements, and eases rent compliance by aligning with LIHTC and subsidy programs. Starting in 2026, leases must include stronger protections through new addenda, expanding tenant rights around maintenance, deposits, evictions, and hazard disclosure.

HUD Funding

HUD's future funding picture is currently unsettled. The Administration, the House, and the Senate have each released very different proposals for FY 2026.

"HUD FY 2026 Budget Proposals Compared to FY 2025 Enacted Funding"

This chart illustrates how the Administration's request, the House THUD bill, and the Senate THUD bill each treat major HUD programs relative to FY 2025 enacted levels.

- ▲ **Green** = increase in funding
- ▼ **Red** = decrease in funding
- = **Black** = no change
- X **Red** = program proposed for elimination

Program	Admin	House	Senate
Total HUD Discretionary	▼	▲	▲
Tenant-Based RA (Vouchers)	X	▼	▲
PBRA	X	▲	▲
Public Housing Operating	X	▼	▼
Public Housing Capital	X	▼	▼
CDBG	X	=	▼
HOME	X	X	=
Fair Housing	▼	▼	=
Homeless Assistance	▼	▲	▲
Section 202 (Elderly)	X	=	▲
Section 811 (Disabled)	X	▲	▲

The State of HUD, cont.

Fair Housing & Civil Rights

There have been some notable changes to the landscape of Fair Housing and Civil Rights this year.

March 2025

HUD Secretary and DHS signed a Memorandum of Understanding, [“American Housing Programs for American Citizens”](#)

From <https://www.hud.gov/news/hud-no-25-046>:

“American tax dollars should be used for the benefit of American citizens, especially when it comes to an issue as pressing as our nation’s housing crisis,” said Secretary Scott Turner. “This new agreement will leverage resources including technology and personnel to ensure American people are the only priority when it comes to public housing. We will continue to work closely with DHS to maximize our resources and put American citizens first.”

“The Biden Administration prioritized illegally aliens over our own citizens, including by giving illegal aliens taxpayer-funding housing at the expense of Americans. Not anymore. The entire government will work together to identify abuse and exploitation of public benefits and make sure those in this country illegally are not receiving federal benefits or other financial incentives to stay illegally. If you are an illegal immigrant, you should leave now. The gravy train is over,” said Secretary Kristi Noem.

Note: HUD already has regulations in place restricting section 8 assistance to Non-Citizens. To date, no proposed rule has been published modifying 24 CFR § 5.500.

HUD – Affirmatively Furthering Fair Housing

In March 2025, HUD withdrew the 2023 proposed rule on Affirmatively Furthering Fair Housing (AFFH) and introduced a new approach that relies on self-certification. Under this model, states and local governments certify their own compliance with the Fair Housing Act’s AFFH requirements, rather than being subject to detailed plans, measurable benchmarks, or federal review.

June 2025

AFHMP / Affirmative-Marketing Requirements

HUD proposed rescinding the AFHMP regulations (Parts 108 & 200 Subpart M) on June 3, 2025; comment period closed on July 3, 2025. This would remove the HUD Multifamily/Federal Housing Administration (FHA) regulatory requirement to submit HUD Form 935.2 AFHMPs, if finalized.

July 2025

Gender Identity & Sexual Orientation

HUD Secretary Scott Turner issued a directive to stop enforcing the 2016 “Equal Access in Accordance With an Individual’s Gender Identity in Community Planning and Development Programs” rule. That rule required HUD-funded shelters and housing-programs to grant access according to a person’s gender identity. Pending and future enforcement actions under that rule have been paused. HUD has paused enforcement of some complaints based on statements and reports, though existing regulations have not yet been formally rescinded.

The State of HUD, cont.

Fair Housing & Civil Rights, cont.

August 2025

HUD – English Only

HUD Secretary Scott Turner stated that the agency [HUD] will “*solely use English for all Departmental business and services*”, aligning with President Trump’s March 2025 executive order designating English as the official language of the United States.

On August 21, 2025, HUD removed its Limited English Proficiency (LEP) webpage, along with all related materials, documents, and resources; however, the “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons” has not be modified or rescinded.

Note: 24 CFR § 100.60 and 42 U.S.C. § 3604(a) are still in effect and to date no proposed rule has been issued to modify these regulations that protect National Origin. In addition, the “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons” has not be modified or rescinded.

Rollback of Disparate Impact Rule

In 2025, HUD transmitted a new final rule to the Office of Management and Budget without issuing a new proposed rule beforehand. This procedural choice stems from an April 2025 executive order directing agencies to reduce or eliminate disparate impact liability; rather than reopening a full public comment process, HUD appears to be relying on that order as authority to directly revise the reinstated 2013 standard.

The history of HUD’s disparate impact rule has shifted with each administration since its adoption in 2013.

In 2013, HUD adopted a standard allowing claims under the Fair Housing Act based on disparate impact, meaning practices that disproportionately harm protected groups could be challenged even without proof of intent.

During the first Trump administration, HUD issued a proposed rule in August 2019 and finalized it in September 2020, making such claims harder to bring by heightening pleading standards and adding broad defenses.

The Biden administration reversed this course, formally rescinding the 2020 changes and restoring the 2013 framework through a final rule published in March 2023.

The State of IRS Housing Programs

Passage of Public Law 119-21

In July 2025, Congress enacted Public Law 119-21 marking the most notable expansion of the Low-Income Housing Tax Credit (LIHTC) program in decades.

Increase to State Ceiling Allocation

This legislation permanently increases the state housing credit ceiling for 9% LIHTCs by 12% starting in 2026, giving state housing finance agencies more resources to allocate toward affordable housing development.

Private Activity Bond Financing Threshold Reduction

This law also reduces the private activity bond (PAB) financing threshold for 4% LIHTCs from 50% to 25% of a project's aggregate basis for developments placed in service after December 31, 2025. This change opens the door for many more projects to qualify for 4% credits, further expanding the affordable housing stock.

Opportunity Zones (OZ)

→ **Codification of Opportunity Zones**

Originally, Opportunity Zones were created in 2017 as a temporary incentive to push private capital into low-income census tracts. Under the new law, Opportunity Zones are now a permanent part of the tax code, so investors and communities can plan long-term.

→ **Special Exceptions for Rural Opportunity Zones**

❑ **Substantial Improvement Threshold**

Previously, if an investor bought an existing property in an OZ, they had to double (100%) the adjusted basis of the building within 30 months to qualify for OZ tax benefits. In small rural towns, rehab projects often don't need, or cannot support, that level of reinvestment. Under the new rule, for rural OZs, the adjusted basis only has to be increased by 50% within 30 months, making it easier for developers to qualify with much smaller rehab scopes.

❑ **30% Basis Step Up**

If investors hold their money in a rural Opportunity Zone project for at least five years, they automatically get a 30% increase in basis, which reduces their taxable gain when they sell.

Status of the Affordable Housing Credit Improvement Act

The Affordable Housing Credit Improvement Act (AHCIA) is a bipartisan bill, introduced in both the House (H.R. 2725) and Senate (S. 1515), that aims to expand and improve the Low-Income Housing Tax Credit (LIHTC), the nation's main tool for creating and preserving affordable rental housing.

The AHCIA is still moving through Congress in 2025.

While some features of the AHCIA were made law with the passage of Public Law 119-21, such as the 12% increase in 9% LIHTC Allocations, the other provisions are still pending with Congress.

The State of Rural Development Housing

HB-2-3560 Update

Effective **July 1, 2025**, USDA revised Chapter 6 of Handbook 2-3560 to incorporate HOTMA requirements.

One of the most significant changes is the elimination of Section 4, Chapter 6, which previously addressed the Affirmative Fair Housing Marketing Plan (AFHMP). Although all handbook references to AFHMP were removed, Attachment 3-D still identifies AFHMP preparation as an allowable cost under the management fee. Importantly, this change **does not** remove the underlying requirement. RD regulation **3560.104** remains in effect, which states that borrowers with *“five or more rental units must prepare and maintain an AFHMP in accordance with [24 CFR part 200, subpart M](#)”*.

Removal of Limited English Proficiency (LEP) Guidance

In response to Executive Order 14224 (Designating English as the Official Language of the United States) RD removed it's guidance from their webpage, with the following statement ..

“To implement [Executive Order 14224](#), and pursuant to the [Attorney General's implementation memo](#), the USDA Rural Development has temporarily removed the language assistance guidance, pending an internal review. These materials will be replaced when new guidance is issued.”

It is important to note that RD regulation regarding LEP/LAP (Language Access Plan) at 7 CFR § 3560.2(b) are still applicable. To date there has not been any Notice of Proposed Rulemaking published by RD to modify or end this requirement.

Modification to RD NOFA Requirements

On April 2, 2025, USDA Rural Development (RD) issued amendments to two active Multifamily Housing program Notices of Funding Availability (NOFAs):

1. Multifamily Housing Preservation and Revitalization (MPR) Demonstration Program and Section 515 Subsequent Loans for Preservation Activities (FY 2024)
2. Consolidated Multifamily Housing Technical Assistance (TA) Grant Program (FY 2024)

These amendments were made to comply with Executive Order 14151, which directed agencies to eliminate DEIA-based scoring preferences.

This modification removed all references to its former “Key Priorities” (Creating More & Better Markets, Advancing Racial Justice/Place-Based Equity/Opportunity, and Addressing Climate Change/Environmental Justice).

Any discretionary scoring points tied to these priorities were eliminated, including priorities for Tribal Communities, Racially/Ethnically Marginalized or Socially Vulnerable Communities, Economically Distressed Rural Communities and Climate-Impacted Communities.

The State of Rural Development Housing, cont.

Rental Assistance Decoupling Pilot

The FY 2024 Appropriations Act authorized USDA to test whether up to 1,000 units of Rental Assistance can remain at the project even after the underlying USDA loan ends. In 2025, USDA is expected to issue guidelines regarding which properties qualify, how units will be selected, and how funding will be structured.

If successful, the pilot could be a turning point for rural preservation. While limited in size, it lays the groundwork for Congress to expand decoupling on a broader scale, a critical step as thousands of Section 515 mortgages approach maturity.



Amanda Lee Gross

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Ms. Gross has over 22 years of hard-won, real-world knowledge and experience in all aspects of the affordable housing industry.

She began her career as a site manager, eventually rising to the position of compliance director for a large multi-state property management company.

Ms. Gross leveraged her experience to become a highly skilled, nationally recognized trainer in Fair Housing, LIHTC, Rural Development, HUD, and HOME.

Over the last 12 years, she has conducted hundreds of trainings nationwide and has provided consulting services to state housing finance agencies, public housing authorities, management companies, and developers.

Ms. Gross is a featured speaker at numerous industry housing events. She also provides custom-tailored training to private organizations that understand that highly-trained staff are more effective and better able to protect the assets and reputation of the company. She also works in the consulting capacity, advising clients in the development of their policies and procedures, optimizing project compliance performance, and addressing audit findings.

"I have had the great pleasure of leading a couple of classes with Amanda Gross – trainer extraordinaire at US Housing Consultants. I feel like I'm the "old guard" watching over the "rising star". Amanda's classes are full of necessary information, and she has a knack for delivering compliance content in such a way that you will never be bored. If you get a chance, be sure to join her for a LIHTC or HUD training."

--- Mary Ross, President, Ross Business Development, Inc.

Ms. Gross's areas of expertise focus on the following programs:

- Fair Housing & Violence Against Women Act (VAWA)
- Low-Income Housing Tax Credit (LIHTC) Program
- USDA Rural Development Rental Housing Program
- HUD Multifamily Housing Programs
- HOME Investment Partnerships Program
- Tax-Exempt Bond Compliance



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Gary Kirkman brings over 20 years of leadership experience in the affordable housing industry and currently serves as the Director of Compliance Training at US Housing Consultants.

Gary began his career as a Regional Property Manager, overseeing Rural Development and HUD properties. His passion for supporting communities and mentoring others led to his promotion to Training Specialist, where he managed multiple affordable housing communities while providing hands-on training to staff on program requirements.

He later advanced to the role of Training Director, where he played a key role in developing company policies and procedures and leading the organization's training initiatives. During this time, Gary also partnered with property owners and developers to present at town council meetings, advocating for the development of affordable housing in areas where it was most needed.

Earlier in his career, Gary was recognized as an award-winning Community Manager, receiving the Best Overall Compliance in Affordable Housing award for the Southeast Region within a property management company portfolio.

Known for his engaging and relatable style, Gary is a seasoned public speaker who regularly conducts both public and private trainings. He is a frequent presenter at industry conferences, where he provides expert guidance on all major affordable housing programs.

Gary is highly respected by colleagues and industry professionals alike, with many praising his deep knowledge, approachable demeanor, and dedication to helping others succeed. Colleagues have stated, *"He has the ability to learn complex compliance requirements and teach them in a manner that others can learn"* and *"Because of his positive disposition, his reflective way of operating, and all of the character traits that make him so special, Gary's questions never go unanswered, and his searches always bring him to exciting new discoveries."*

Gary's areas of expertise focus on the following programs:

- Low-Income Housing Tax Credit (LIHTC) Program
- HUD Multifamily Housing Programs
- USDA RD Rental Housing Program
- HOME Investment Partnerships Program
- Fair Housing and Accessibility
- Violence Against Women Act (VAWA)
- Project and Asset Management
- Customer Service & Marketing



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Randy McCall

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Mr. Randy McCall brings over twenty years of affordable housing experience. His passion and in-depth knowledge of affordable housing programs has enabled him to successfully provide training to management companies, city/state/federal agencies, and non-profit entities.

Mr. McCall's career began as an on-site leasing agent and then progressed to other on-site positions including Assistant Manager, Assistant Maintenance Supervisor, Bond Compliance Manager, Social Activities Manager, and Senior Community Manager.

His experience also includes work as a Compliance Specialist, Physical Inspector, and Regional Compliance Auditor. His experience led him to a State Housing Finance Agency where he worked as a Training Specialist and was promoted to Supervisor of Rental Compliance in the Asset Management Department.

Throughout his career he has also utilized his experience and skills to create training materials for inexperienced and seasoned learners. He has also been featured on panels at industry conferences.

Mr. McCalls's areas of expertise focus on the following programs:

- Low-Income Housing Tax Credit (LIHTC) Program
- HUD Multifamily Housing Programs
- USDA RD Rental Housing Program
- HOME Investment Partnerships Program
- Fair Housing and Accessibility
- Violence Against Women Act (VAWA)
- Project and Asset Management
- Customer Service & Marketing
- Underwriting and Funding Application



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Morgan Baldwin brings years of experience in the affordable housing industry to her role as a Housing Compliance Trainer at US Housing Consultants.

She began her career as a Compliance Specialist, focusing on detailed monitoring and auditing of various multifamily housing programs throughout Florida.

Morgan's path into affordable housing was anything but conventional. Originally pursuing a career in dentistry, she entered the industry with no prior experience — a journey that reflects her curiosity, resilience, and commitment to purposeful work.

Today, Morgan delivers training nationwide on the complexities of programs such as:

- Low-Income Housing Tax Credit (LIHTC)
- HOME Investment Partnerships Program
- Community Development Block Grant Disaster Recover (CDBG-DR)
- National Housing Trust Fund (NHTF)
- HUD Multifamily Housing Programs.

Morgan's expertise is supported by a Bachelor of Applied Science (BAS) degree and the respected Housing Credit Certified Professional (HCCP) certification from the National Association of Home Builders.

Recognized for her ability to make compliance approachable and relatable, Morgan empowers others to confidently navigate the complexities of regulatory requirements with clarity and assurance.

Morgan's mission is clear: to inspire and educate the next generation of housing professionals, ensuring affordable housing remains accessible, equitable, and sustainable for all.



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Contact Us For More Information

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