

HOME Investment Partnerships Program FAQs

Last Updated: December 30, 2015

Description:

This document contains the HOME Investment Partnerships Program FAQs posted on the HUD Exchange website (<https://www.hudexchange.info/home/>). The FAQs are organized by topic.

Program Requirements

Income Determination

What passbook savings rate should PJs be using when imputing income from assets above \$5,000 for the HOME program?

Updated: August 10, 2015

When determining income eligibility for the HOME program, 24 CFR 5.609(b)(3) requires PJs to include in calculating annual income the greater of either: (1) actual income resulting from all net family assets; or (2) a percentage of the value of such assets based upon the current passbook savings rate as determined by HUD when a family has net assets in excess of \$5,000.

The PJ has three options in setting the rate to be used as its passbook savings rate for HOME program income eligibility determinations:

1. The PJ may use the same passbook savings rate used by their local PHA;
2. The PJ may use the passbook savings rate published by HUD's Office of Multifamily Housing.

As described in [Notice H 2014-15](#), the Office of Multifamily Housing will publish a passbook savings rate and its effective date through a Housing program notice at least annually; or

3. The PJ may establish its own passbook savings rate.

If a PJ chooses to establish its own rate in calculating imputed income from assets, then the PJ should review its passbook savings rate at least annually to determine that it is allowable. The PJ may establish a passbook savings rate within 75 basis points (plus or minus .75 percent) of the Savings National Rate in effect at the time the PJ establishes the passbook savings rate, and the passbook savings rate may not be less than 0 percent. The Savings National Rate is a simple average of rates paid by United States (US) depository institutions as calculated by the Federal Deposit Insurance Corporation (FDIC). The FDIC publishes this rate on a weekly basis. Historical and current Savings National Rates can be accessed on the [FDIC website](#).

No matter which option a PJ chooses in establishing its passbook savings rate, the PJ must apply its policy on calculating imputed income from assets consistently to all participants, and it is suggested that PJs maintain supporting documentation for establishing their rate.

Property Standards

The 2013 HOME Final Rule substantially revises property standards requirements for development projects. When do these requirements become effective, and how should the PJ approach implementation?

Updated: January 27, 2014

Pursuant to §92.3(b), the new property standards requirements (see §92.251) apply to projects to which funds are committed on or after January 24, 2015. HUD delayed the effective date of the property standards requirements in order to have time to issue additional guidance and provide technical assistance to PJs and to give PJs time to consider how to implement these changes in a thoughtful and effective manner.

Initially, HUD plans to issue guidance regarding how to incorporate the Uniform Property Condition Standards (UPCS) into the property standards for rehabilitation and acquisition. Until this guidance is issued, PJs may want to update their property standards for new construction by reviewing applicable State or local property standards. If there are no State and/or local codes, PJs need to update the required property standard for new construction to the applicable ICC, or IRC codes.

In addition to evaluating and updating the property standards themselves, PJs need to evaluate their current **processes** for inspecting properties to ensure compliance with property standards. The 2013 Rule requires the following inspections and project reviews:

- An initial property inspection to determine the extent of work to be completed, for rehabilitation projects
- PJ review and approval of project plans (work write-ups) and cost estimates
- Construction progress and final inspections to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents.

Once the property standards are updated and inspection procedures are adopted, in order to implement the requirements by January 2015, PJs will need to develop checklists and other tools to implement the new inspections and reviews; train staff and program partners in the new requirements and the inspection procedures; identify how the PJ will determine whether staff are qualified to review and approve plans, construction documents, and construction work. HUD plans to offer additional guidance, training and technical assistance for PJs to assist them in implementation of §92.251.

PJs will also need to incorporate these new requirements into its the written agreements with program partners, and ensure that its monitoring efforts include verifying compliance with these new requirements.

Note: The 2013 Rule also changes requirements to the ongoing property standards and inspection procedures for housing in the affordability period. See §92.251(d) and §92.504(d) related to project completion inspections and ongoing property inspections for additional information.

Maximum Per Unit Subsidy

Where can I find the 221(d)(3) limits for 2013?

Updated: February 26, 2014

Starting in 2013, Section 221(d)(3) program limits will no longer be calculated and published by HUD due to the elimination of the 221(d)(3) Mortgage Program. The HOME statute and the HOME regulation at 24 CFR 92.250(a) limit the amount of HOME funds that a PJ may invest in a HOME-assisted unit. The maximum HOME per-unit subsidy limit is set at the basic Section 221(d)(3)(ii) mortgage limit for elevator-type projects, by bedroom size (with adjustments up to 240% for “high cost” geographic areas).

Because HUD is no longer calculating 221(d)(3) limits, PJs must continue to use the **2012 published Section 221(d)(3) limits for all HOME projects, until further notice from the Office of Community Planning and Development at HUD**. These limits were published in December 2011, became effective January 1, 2012, and are available at <http://www.gpo.gov/fdsys/pkg/FR-2011-12-22/pdf/2011-32811.pdf>.