



Update on Emerging LIHTC Issues

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Welcome to the recent edition of The Credential newsletter. Our intent is to provide HCCPs with a brief update on the latest upcoming news and potential changes in the LIHTC industry. Keep in mind that the majority of HCCPs work with multi-funded projects, so we will also touch on some non-LIHTC changes that will may affect your day-to-day work.

- 2026 HOTMA adjustment factors: If you have not heard the news yet, HUD released the 2026 adjustments on July 31st; they are effective on January 1st. For our readers who are subject to HOTMA, this will have implications on how you determine eligibility for your tenants and applicants. Our friends at Costello Compliance have posted an in-depth article about these changes and provided links to the HUD notice. For more information about what is included in the release please [click here](#).
- HOTMA became applicable on some RHS/RD projects on July 1st. If you have a project that received funding from the Multi-Family Housing (MFH) Section 515 Rural Rental Housing or the Section 514/516 Farm Labor Housing Direct Loan and Grant programs, you will want to take note of these new regulations. The revisions to the RD Handbook provide clarification for HOTMA and aligns better with other housing programs. For more information the revised RD Handbook HB-2-3560 [can be found here](#).
- 2025 Rural Development Income Limits: USDA/RD released the 2025 income limits on June 18th. If you have this source of funding and you have not taken a look yet, please click [here](#) to see your updated limits.
- HUD has yet again moved the HOTMA implementation date for the multifamily housing program to January 1, 2026. This will not affect any previous or proposed implementation of the HOTMA rules for LIHTC, HOME or RD, as those are set by the individual monitoring agencies.
- Just a friendly reminder that, as of today, HUD's compliance date for the NSPIRE final rule for several of their programs is quickly approaching (October 1, 2025). If you have projects layered with HUD funding and your housing finance agency has yet to implement NSPIRE requirements, please take the time to read more about this new inspection protocol and any updates to the implementation deadline [here](#).



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