CARH news

A Publication of
the Council for Affordable
and Rural Housing

AUGUST 2026

Message from the Executive Director

Dear Members,

We are busy preparing for the quarterly CARH Board of Directors meeting to be held at the end of September. We are looking forward to our board members gathering in person for a highly productive meeting.

We're also preparing extensive comments on the proposed changes to the Community Reinvestment Act (CRA) by the Comptroller of the Currency and the Federal Deposit Insurance Corporation (FDIC). The proposed changes would increase banks' asset thresholds. This would potentially impact their equity investments in Low-Income Housing Tax Credits (LIHTC) throughout the country. Comments are due October 13, 2026.

Another current priority at CARH is reviewing regulations by both the Department of Housing and Urban Development (HUD) and the United States Department Agriculture (USDA) that will implement provisions contained in the 21st Century ROAD to Housing Act.

Finally, on August 31, Rural Development issued PN 661 which provides OCAF adjustments for Management Fees for FY 2027. [See CARH's Broadcast Email.]

We hope you have enjoyed summer wherever you are. After a hot summer in the Washington area, we are looking forward to cooler fall weather in the weeks and months ahead.

Sincerely,

Colleen M. Fisher
Executive Director, CARH

SAVE THE DATE

January 25-27, 2027
for the
2027 CARH Midyear Meeting
Arizona Biltmore Hotel, Phoenix, Arizona

In this issue:

Tax Credit Percentages

Up to the moment tax credit percentages always available at ***www.carh.org***

2026	4% Credit	9% Credit
Sept	3.48	8.12
Aug	3.46	8.08
July	3.47	8.09
Jun	3.45	8.05
May	3.45	8.05
Apr	3.42	7.98

Headwinds Face the USDA's Section 538 Program

A Brief History

By Robert A. Hall, Bonneville Multifamily Capital

The US Department of Agriculture's (USDA) Section 538 Guaranteed Rural Rental Housing (Section 538) program has been an important tool in the production of rural multifamily affordable housing as well as the preservation of the existing rural affordable housing stock for over two decades. The program was created in the late 1990's. Historically, it has been difficult to attract lenders to small rural markets. A key component of the Section 538 program is the USDA 90% loan guaranty to entice lenders to extend credit in these tertiary markets. It took several years to become a viable alternative within the affordable housing industry. However, since the mid 2000's, the program has been regularly used to develop and preserve many thousands of affordable housing units across the country.

Key to gaining a foothold within the affordable housing industry has been that the Section 538 loan pairs well with the nation's primary affordable housing driver, the Low-Income Tax Credit (LIHTC) Program. Almost all Section 538 loans originated over the past two decades have been in conjunction with LIHTC equity. This combination has been of tremendous benefit to the Section 538 program due to the exceedingly low default and foreclosure rate inherent in projects with LIHTC equity. The Section 538 program foreclosure rate is a small fraction of 1.0%, much lower than market-rate multi-family housing. USDA likes the pairing so much that the maximum Loan-to-Cost (LOC), not Loan-to-Value, ratio for a Section 538 loan is 70%, all but ensuring that Section 538 loans are used exclusively with LIHTC.

Aside from the good fit with the LIHTC program, the Section 538 has attracted property developers for a variety of reasons. Until 2009, a 2.5% interest credit subsidy on the first $1,500,000 of a Section 538 loan amount accompanied the loan, which was a meaningful boost to a small, emerging loan program, allowing the program to gain a foothold within the industry. The interest credit subsidy provided a meaningful rate advantage even after accounting for USDA annual guaranty fee (MIP). Also, throughout its existence, a 40-year amortization and term have been key components. In general, prior to the Covid pandemic, the only option available to rural affordable housing developers who needed a boost to loan proceeds with lower DSCR was from the Section 538 program with its 40-year amortization. This bestowed an important competitive advantage to the Section 538 program even after the 2.5% interest credit subsidy was eliminated. Other important components of the program are 1.15 DSCR, 90% LTV and the ability to use the Section 538 as either a perm only loan or construction/perm loan similar to the FHA 221d4 but without the prevailing wage requirement. As with many government-administered programs, the Section 538 has been most challenged by slow processing times and bureaucratic hurdles. Despite repeated initiatives and reorganizations, USDA continues to struggle with these issues.

Current State of the Section 538 program

Over a two-decade period, the Section 538 program became an important tool in the production and preservation of rural multifamily housing across the country. However, due to a variety of factors, its contribution has been diminishing in recent years. As mentioned above, the interest credit subsidy was eliminated in 2009 and the 40-year amortization, which was historically quite unique within the rural housing industry, has slowly become a common characteristic of affordable housing loans from alternate sources across the country, including in rural areas. Several years ago, the advantages of the Section 538 outweighed the slow time frames and governmental hassles of using the program, which has been in decline in recent years. Prior to 2020, the program regularly used $250 million dollars annually in government guaranty authority allocated by Congress. Many industry participants thought that with a few minor changes, the program could easily use over $300 million annually. In the last three years, USDA has allocated less than $200 million annually, more than 50% less than the $400 million allocated by Congress, which has brought harmful scrutiny to the program. The bulk of this decline in loan volume has been in the production of new housing units. The reality is that developers don't have a compelling reason to use the Section 538 for new construction because they can get 40-year loans from conventional lenders at rates less than the Section 538 program particularly after accounting for the USDA annual guaranty fee (MIP).

Although new-construction Section 538 production has declined significantly, preservation activity involving the existing housing stock—primarily the USDA Section 515 direct-loan portfolio—has remained relatively strong under the Section 538 program. This divergence stems largely from USDA's insistence on policies that depart from customary lending standards without providing senior lenders adequate compensating protections.

The current USDA form of Section 515 subordination agreement is a great example. It permits a senior lender to obtain a security interest only in the property even though industry practice generally also requires first-priority liens on personal property, reserve accounts, rents, and rental-assistance payments, together with an assignment of tax-credit equity contributions. By refusing to accommodate these customary and commercially reasonable protections, USDA unnecessarily exposes senior lenders to risks that conventional lenders are unwilling to accept, thereby discouraging them from pursuing Section 515 preservation loans. Although Section 538 lenders likewise object to this unduly restrictive form of subordination, we have accepted it because the Section 538 program 90% guaranty offsets much of the additional risk created by USDA's policy. As a result, USDA's position has effectively reserved most of Section 515 rehabilitation volume for the Section 538 program because conventional lenders—despite their ability to offer better rates, lower costs, comparable terms, and substantially faster processing—generally decline to pursue these loans.

Going Forward

Important changes are needed to restore the Section 538 program's position as a key provider of new affordable housing units and preserve its place as the primary preserver of Section 515 units in case the USDA ever adopts a more reasonable approach to its Section 515 subordination agreement. How can the Section 538 be repositioned to increase program volume back to $250 million or even up to $400 million?

First, the Section 538 allows for up to 40-year term and amortization. With the Section 515 direct loan program, USDA provides amortization of 50 years. The Section 538 program would greatly benefit from that same maximum 50-year amortization. The challenge is that it will require an act of Congress. CARH is engaging with Congressional Staffers on this issue in hopes of including such change in the next housing bill, but it is too early to have an indication one way or the other.

Second, nearly all Section 538 loans are done in conjunction with LIHTC primarily due to the maximum 70% LOC restriction. Increasing the LTC to perhaps 85%, would make the Section 538 program a viable and attractive alternative for market rate housing developers. The construction/perm execution to hedge against interest rate risk, no prevailing wage rate requirements and a reasonable equity injection percentage, would be well received in the marketplace. The change would allow the Section 538 to target a new asset class outside of affordable housing and therefore diversify the USDA portfolio.

Certainly, there is a need for additional production tools to address the lack of all rural housing. This approach does NOT require congressional action. It simply requires USDA to coordinate with GNMA on the increase. GNMA officials have indicated to industry participants that they are not opposed to such a change, presumably because they don't have any such restriction on FHA loans. This idea has been suggested to USDA for several years, but no meaningful change has come.

Third, USDA could agree to lower the minimum DSCR for Section 538 projects to 1.11, similar to what is allowed by FHA for affordable housing loans. This approach, in combination with a longer amortization, would result in a meaningful change to loan proceeds that a property could support.

Other Ideas

The Section 538 program is only allowed to be used for new construction or substantial rehab. Why not use the program as a refinance vehicle for rural LIHTC or other affordable properties coming out of their initial 15-year compliance period? There's a need for those loans within the rural space and if, for example, $100 million of Section 538 funding is going unused annually, the ability to refinance existing affordable housing would be an excellent use of these unused funds.

The interest credit subsidy was eliminated long ago but why not bring it back in some form? It wouldn't need to be exactly as before with 2.5% on the first $1,500,000 of loan amount. Why not something like 1.25% on the first $2,000,000? As costs have increased over the years, loan amounts have increased and 1.25% could offset much of the USDA annual guaranty fee on the entire loan amount. Admittedly, this is probably a pipe dream, but it might inspire some creative thinking on someone's part.

Every few years we hear about USDA adopting some new approach that will expedite processing or lessen administrative hurdles, etc. Occasionally we do get some relief from the federal government, if not specifically from USDA, such as the recent elimination of the affirmative fair housing marketing plan or the reduction in program fees. But those helpful changes are too few and far between. We need changes like those suggested above to make the Section 538 program more attractive, offsetting the extended processing delays and administrative burdens inherent in most government agency sponsored programs. Give us the tools and we can restore the program to previous levels and even grow it to new heights.

__ROBERT A. HALL__ is Executive Director of Bonneville Multifamily Capital (BFC), directing project analysis, underwriting and deal sourcing. As a founding member, he has been with the Affordable Housing Finance Team since its inception in late 2003.

Over the past 23 years, Bonneville Multifamily Capital has provided both construction/perm financing or permanent-only financing for over 600 affordable housing properties across the nation with most done in conjunction with 9% LIHTC or 4% LIHTC and tax-exempt bond executions. The majority of these loans have been guaranteed under the USDA Section 538 loan program and total more than $1 Billion in loan volume comprised new construction properties and USDA 515 preservation properties.

Bonneville is also an FHA MAP approved lender financing affordable and market rate apartment properties through the FHA 221d4 and 223f programs. Bonneville focuses its financing efforts on properties that are income and rent-restricted under the Section 42 Low Income Housing Tax Credit (LIHTC) program, the HOME Investment Partnership Program, the Federal Home Loan Bank AHP Program and the USDA 515 program. Rob also serves on CARH's Executive Committee as Secretary. For more information about Bonneville Multifamily Capital, please visit www.bmfcap.com.

Editor's Note: Bonneville Multifamily Capital is a Broker/Finance Member of CARH, a unique membership category created by CARH in 2026, exclusively for brokers, equity financiers, lenders, syndicators, and other companies that provide financial services to the rural housing industry. As part of this exclusive benefit, Broker/Finance Members are invited to submit an article to CARH News. For more information about CARH membership or to join CARH, please email Tamara Schultz at tschultz@carh.org. Or visit https://www.carh.org/product/join-carh-today/.

CARH Sends Comments to FHFA on Duty to Serve

By Colleen M. Fisher, Executive Director, CARH

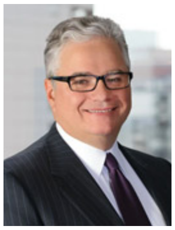
CARH submitted comments on the Federal Housing Finance Agency's (FHFA) proposed rule regarding the Enterprise Duty to Serve Underserved Markets (Duty to Serve) framework on July 22, 2026 . In our comments, we indicated our strong support for FHFA's continued focus on encouraging Fannie Mae and Freddie Mac (the Enterprises) to serve very low-, low-, and moderate-income families in underserved markets, including rural housing and affordable housing preservation. CARH's members have a direct and practical interest in ensuring that Duty to Serve remains a meaningful, transparent, and accountable framework for directing Enterprise resources to rural communities that are too often overlooked by conventional capital markets. In the letter we went on to say, that we appreciate that the proposed rule preserves important elements of the existing Duty to Serve framework, including a three-year strategic planning process, an opportunity for public comment, and FHFA review before plan implementation. These elements are essential because Duty to Serve is not merely a reporting exercise; it is one of the few federal regulatory tools specifically designed to push the Enterprises to examine underserved markets, identify gaps, develop measurable actions, and respond to market needs that would otherwise remain unmet. We also wrote that we appreciate FHFA's recognition that rural areas, including persistent poverty counties and Indian areas, face unique barriers to mortgage credit and investment capital.

CARH indicated our concern that several aspects of the proposed rule could weaken the practical impact of Duty to Serve in rural communities. The proposal would eliminate many of the existing regulatory activities and minimum activity requirements that have historically directed the Enterprises toward the hardest-to-serve portions of the market. Without clear regulatory guardrails, the Enterprises may unintentionally concentrate their resources in "easier to-serve" markets, larger transactions, or activities that they already would have pursued in the ordinary course of business. That result would be inconsistent with the purpose of Duty to Serve and would be particularly harmful to rural rental housing, USDA-assisted properties, small multifamily properties, and rural Low-Income Housing Tax Credit (LIHTC) developments. We then asked that FHFA revise the final rule to preserve the strengths of the existing framework while allowing targeted innovation.

COUNSEL'S CORNER

2026 ROAD to Housing Act Streamlines HUD Environmental Review for Urban Infill Projects

By Orlando J. Cabrera, Esquire, Arnall Golden Gregory LLP



Key Takeaways

- **The 21st Century ROAD to Housing Act of 2026 (ROAD Act) creates new statutory categorical exclusions from certain HUD environmental review requirements for qualifying urban infill housing projects.** Eligible developments may benefit from faster environmental reviews and reduced administrative burdens.
- **Stakeholders, including affordable housing developers, public housing authorities, municipalities, lenders, and investors, should evaluate whether planned developments qualify as "infill projects" as defined by the ROAD Act.** Eligibility depends on factors including project location, site size, existing infrastructure, and prior land disturbance.
- **The new environmental review relief provided by the ROAD Act applies only to federal funds appropriated after July 11, 2026.** Projects funded with earlier appropriations remain subject to existing HUD environmental review requirements.

What the 2026 ROAD Act Changes

The ROAD Act introduces significant changes to the environmental review process for certain federally funded urban infill housing developments. The legislation creates a new statutory definition for "infill project" and directs HUD's Secretary to create a regulatory categorical exclusion under 24 C.F.R. Parts 50 and 58 respectively, that reflects the statutory categorical exclusion.

The added categorical exclusion may substantially reduce environmental review requirements for qualifying projects receiving federal funds from the U.S. Department of Housing and Urban Development (HUD), helping developers move affordable housing properties from construction through certified occupancy more efficiently.

HUD conducts Part 50 environmental reviews, while Part 58 reviews are administered by a responsible entity, typically a state, local, or tribal government. Because the relevant provisions in Parts 50 and 58 are substantially the same, this alert focuses on the issue in the context of Part 58 requirements while recognizing that the new statutory exclusions apply under both regulations.

Which Projects Qualify as "Infill Projects"?

The ROAD Act establishes a new statutory definition of an "infill project." To qualify, a project must:

(a). Be undertaken within the geographic limits of a municipality;
(b) Be adequately served by existing utilities and public services as required under applicable law;
(c) Be located on a site of previously disturbed land of not more than five acres and substantially surrounded by residential or commercial development;
(d) Repurpose a vacant or underutilized parcel of land, or a dilapidated or abandoned structure; and
(e) Serve a residential or commercial purpose.[1]

Notably for CARH members, despite the ROAD Act's "urban infill' framing, the statutory definition requires only that a qualifying project be undertaken within the geographic limits of a municipality, without imposing any *minimum* population threshold. Rural housing developers working in smaller incorporated communities should therefore evaluate whether their projects, particularly rehabilitations of vacant or dilapidated structures on previously disturbed land satisfy the remaining statutory criteria for the new categorical exclusion.

Newly Defined Statutory Categorical Exclusion for Certain Urban Infill Housing Projects Created by the ROAD Act

The ROAD Act effectively creates a statutory categorical exclusion for qualifying infill projects involving the new construction, rehabilitation, or development of residential housing by directing HUD to add the statutory exclusion to the current regulatory categorical exclusions in Parts 50 and 58.

In practical terms, a qualifying project located within a municipality, served by existing infrastructure such as water, sewer, and public transportation, situated on previously developed land of five acres or less, and substantially surrounded by existing development may qualify for the new categorical exclusion if it using federal funds appropriated by Congress after July 11, 2026.

When Do the New Exemptions Apply?

Stakeholders should note that the new statutory categorical exclusions apply only to projects funded with federal appropriations made by Congress after July 11, 2026, the date the ROAD Act became law. Projects using federal funds appropriated before that date remain subject to the existing HUD environmental review requirements regardless of whether the grant agreements or other instruments involving the use of federal funds are dated and executed before or after July 11, 2026. The ROAD Act implementation provision does not provide relief for infill projects that receive federal funds granted both before and after July 11, 2026, but appropriated prior to July 11, 2026.[2] Funds granted or otherwise used in transactions generally involve appropriations that were undertaken prior to the ROAD Act's date of enactment (July 11, 2026) and, accordingly, the categorical exclusion is unavailable in those instances.

The ROAD Act's implementation provisions are silent with respect to grants and other instruments allocating federal funds appropriated with federal funds using Congressional appropriations before and after July 11, 2026. The ROAD Act's lack of clarity will raise questions for transactions involving more than one layer of federal funding and appropriations, and that therefore involve multiple grant agreements or other instruments, allocating federal funds appropriated before and after the ROAD Act's enactment date. We anticipate HUD will clarify whether the ROAD Act statutorily mandated categorical exclusion provisions would apply when it involves transactions using certain federal funds appropriated both after and prior to July 11, 2026.

While the ROAD Act created the urban infill project exception, in most instances, recipients of funds remain responsible for complying with related federal laws and policies set forth at What This Means for Affordable Housing Developers and Stakeholders

The ROAD Act represents Congress's meaningful effort to expand categorical exclusions from HUD's Parts 50 and 58 environmental review process for qualifying urban infill housing developments. For projects that satisfy the statutory criteria, the new categorical exclusions provide relief from traditionally required regulatory environmental reviews involving the use of federal funds and helps reduce administrative costs.

Stakeholders should evaluate pending and future projects to determine whether they might qualify under the ROAD Act's new categorical exclusion and its definition of "infill project" always keeping in mind whether the federal funding that will be used in the development was appropriated after July 11, 2026. Early planning with legal counsel can help maximize the benefits of the new law while ensuring continued compliance with applicable environmental requirements.

[1] 42 U.S.C. § 19503(a)(1).
[2] 42 U.S.C. § 19503(c)(2).

***ORLANDO J. CABRERA**, Esquire, is a partner in the Real Estate practice and co-chair of the Affordable Housing industry team at Arnall Golden Gregory LLP. He is widely recognized as a lawyer of choice in affordable housing for financial institutions, investors, syndicators, developers, public housing authorities, housing finance agencies, community development agencies, cities, and counties. His time at the United States Department of Housing and Urban Development (HUD) has helped him become a problem solver, especially on issues relating to HUD regulatory matters (including Native American housing issues), housing finance agency issues, low-income housing tax credits, private activity bonds, debt financing, non-federal state financing programs, tribal financing programs, and general real estate issues is impressive. As a former Assistant Secretary for Public and Indian Housing at HUD, Orlando's tremendously helpful insight into affordable housing is invaluable.*

Mr. Cabrera may be reached at the Washington, DC office at 202-677-4924 or orlando.cabrera@agg.com.

Special Thanks to Our Preferred Buyer Vendors

HD Supply
Innovative Cost Solutions
ONLINE Rental Exchange
Sherwin-Williams
Staples
USI Insurance Services

CARH Newsroom

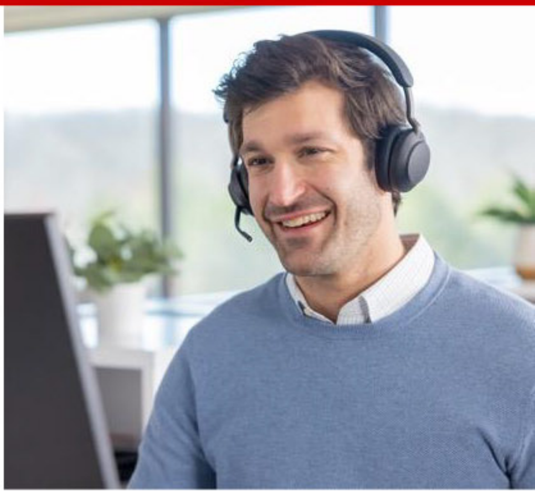
Visit the Newsroom on www.carh.org often for the most up-to-date news and information relevant to the affordable housing industry!

Staples Business Advantage

CARH
Council for Affordable and Rural Housing
Serving the Affordable Housing Needs of Rural America

Take advantage of next-day delivery, custom pricing, and live customer support.

Enjoy important everyday benefits with CARH's partnership with Staples Business Advantage.®



Fast delivery.
Get everything without disruption with next-day delivery available to over 98% of the US.

Competitive, dynamic pricing.
Find costs at or better than competitor rates, plus custom pricing on our most purchased items.

Accessible Experts.
Staples® Experts are ready to help with product recommendations, account information and more.

Consolidate purchasing across these categories:

Janitorial & Cleaning
Over 5,000 items from top brands including professional-grade products.

Furniture
As the best provider of office seating, Staples has over 735K quality furniture items stocked and ready to ship next day.

Print Services
Create, save and print custom materials like brochures and signs all in one place via an easy-to-use online platform.

Breakroom
Over 2,000 stocked products tailored for the workplace, like coffee, snacks, beverages and disposable plates and cutlery.

Technology
Top-rated products from the best brands like wireless mice and keyboards, portable monitors and noise-cancelling headsets

Office Supplies
National brands in every pack size.

The CARH Staples Business Advantage Program is based on the collective buying power of the entire membership. As a CARH member, your participation supports CARH's mission to its members and residents in the affordable rural housing industry.

Scan the code to learn more about the CARH Program and register for an account:

Reach out to CommercialGPOSupport@staples.com for assistance with program-specific questions.

Questions about your order or products?

Online Help Center	Live chat	Email	Call
Get answers fast	M-F 8am-8pm ET	support@staplesadvantage.com	877-826-7755 M-F 8am-8pm ET

That Assumption Would be a Mistake

By Mark English and Josh Brown, E&A Team, Inc.

Mark English

Josh Brown

Ask any property manager or owner in the Rural Development (RD) Multifamily Housing portfolio what keeps them up at night, and the list is long: rising insurance premiums, aging systems, tightening budgets, and staffing shortages up and down the pipeline. Somewhere on that list, often near the bottom, sits a document that quietly governs how accessible your property is to people with disabilities, the Section 504 Transition Plan. It shouldn't be near the bottom. RD regulations are clear that a property's Section 504 Transition Plan must be reviewed and updated at least every three years by a knowledgeable source. That requirement alone is reason enough to keep the plan current. But treating the three-year update as a box to check, done only because the regulation says so, misses the bigger picture. A current, well-documented transition plan is a business asset. Letting it lapse is a business risk, and right now, that risk is more exposed than ever.

The Compliance Case, Briefly

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of disability in any program or activity receiving federal financial assistance. RD Multifamily Housing properties fall squarely within that reach. The transition plan is the document that shows how a property identifies barriers to accessibility, prioritizes corrections, and tracks progress over time. RD regulations require that this plan be updated every three years at a minimum, and that the update be performed by someone qualified to evaluate physical accessibility, not simply reissued with a new date on the cover page. Most owners and management agents already know this much. What deserves more attention is why keeping this on a disciplined three-year cycle matters well beyond satisfying an auditor.

The Business Case for Getting Ahead of It

An outdated or superficial transition plan tends to surface problems at the worst possible time: during a tenant complaint, a fair housing inquiry, or a change in ownership when a lender or buyer's due diligence team starts asking pointed questions. Each of those moments carries real costs in staff time, legal exposure, and the property's reputation with RD and with the community it serves. A proactive update lets ownership control the timeline and the budget. Accessibility barriers identified through a scheduled review can be phased into capital planning alongside roof replacements, HVAC upgrades, and other predictable expenses. Barriers discovered reactively, in response to a complaint or a finding, almost never come with that luxury. They tend to require immediate remediation, often at premium cost, and sometimes alongside a corrective action plan with a hard deadline attached.

There is also a financing and marketability dimension. Properties preparing for refinancing, a Rental Assistance Demonstration conversion, or a transfer of physical assets are increasingly finding that a current transition plan is part of what counterparties expect to see. Owners who keep this documentation current avoid scrambling to produce it, or worse, discovering gaps, in the middle of a transaction timeline that has little room for delay.

A Staffing Reality Worth Naming

Here is the part of the story many CARH members have already experienced firsthand. RD Multifamily Housing staffing has been reduced significantly in recent years. Fewer field staff are covering more properties, and portfolio reviews, servicing requests, and routine correspondence can all move more slowly than they once did. It would be reasonable to assume that a lighter Multifamily Housing footprint means less scrutiny of things like transition plans. That assumption would be a mistake. RD Civil Rights staff operate as a separate division from Multifamily Housing, with their own review priorities and their own timelines.

By most accounts, civil rights review activity has not slowed down. Whether through targeted reviews, complaint-driven investigations, or routine compliance checks, civil rights staff continue to ask a very specific question: does this property have a current Section 504 Transition Plan, updated within the past three years by a knowledgeable source? If the answer is no, or if the plan on file looks like a copy-and-paste of the prior version with a new date, that gap does not go unnoticed simply because Multifamily Housing has fewer people watching the portfolio day to day. In other words, the reduction in Multifamily Housing staffing is not a reduction in accessibility compliance risk. It's an argument for owners and management agents to be more disciplined about self-monitoring, since the entity most likely to catch a lapse is not the one that has gotten smaller.

What "Knowledgeable Source" Actually Means

RD does not define the three-year update as a clerical task. A knowledgeable source generally means someone with genuine expertise in accessibility requirements under Section 504, the Fair Housing Act, and the Americans with Disabilities Act as applicable, capable of conducting a physical inspection of the property, evaluating programs and communications for accessibility, and producing a written plan with prioritized, actionable steps. Simply having in-house staff re-date the existing document, without a substantive review, does not meet that bar and is one of the more common findings when civil rights staff look closely.

Building the Habit into Your Operations

The most effective way to stay ahead of this requirement is to treat it the way you would treat any recurring capital or compliance obligation: put it on the calendar, budget for it, and assign ownership.

Here are a few practical steps:

- Track the update date for every property in your portfolio, not just the ones you think might draw scrutiny.
- Engage a qualified accessibility professional well before the three-year mark, rather than after it has passed, since scheduling and site visits take time.
- Use the update as an opportunity to fold accessibility remediation into your broader capital needs assessment, so barrier removal competes for budget alongside other planned work rather than arriving as a surprise.
- Keep documentation organized and accessible so that if Civil Rights staff, a lender, or a prospective buyer asks for it, you can produce it without a scramble. The Bottom Line RD regulations require transition plan updates every three years because accessibility is not a static condition. Buildings change, occupants change, and standards evolve. But the regulation is really just the floor. Owners who treat the three-year update as routine business practice, rather than a compliance deadline to be met at the last possible moment, protect their properties from costly surprises, keep their transactions moving smoothly, and stay

—continued on page 8

—continued from page 7

ahead of a Civil Rights division that, staffing changes elsewhere in RD notwithstanding, is still very much paying attention.

***MARK ENGLISH** is the Founder and President of E&A Team, Inc., a consulting firm established in 1992 that specializes in multifamily housing accessibility compliance. For more than three decades, Mark and Josh Brown, E&A's COO have worked nationwide with owners, developers, architects, contractors, compliance staffs and maintenance techs and Housing Finance Agencies to ensure compliance with Section 504 of the Rehabilitation Act, the Fair Housing Act Accessibility Guidelines, and the Americans with Disabilities Act. E&A Team provides blueprint and specification reviews, construction inspections, 504 Self-Evaluations and Transition Plans, Capital Needs Assessments (CNAs), and Fair Housing & Accessibility training programs across all 50 states and U.S. territories.*

In Memoriam

HERBERT J. "CHIP" PETERSON III

Herbert J. "Chip" Peterson III, 56, of Corinth, Mississippi, died on July 28, 2026, in Houston, Texas, following a long and courageous battle with cancer. Visitation was held on Saturday, August 8, 2026, at First Baptist Church, followed by a memorial service.

Chip was born on September 13, 1969, in New Orleans, Louisiana, to Herbert J. Peterson Jr. and Joan Murphy Peterson. He spent his childhood summers around Bay St. Louis, Mississippi, where he loved being on the water. He graduated from De La Salle High School in 1987 and earned a Bachelor of Business Administration in 1993 at the University of Mississippi.

Chip married Angel Little Peterson in 1995 and together they built a life centered on family and raising their daughters, Parker and Pierce, who were among his greatest joys and proudest accomplishments. He loved spending time with them anywhere, but especially on Pickwick Lake, where he passed along his lifelong love of water.

In 1999, Chip co-founded CMS Management alongside his father-in-law and business partner, Jerry Little. Over time, CMS grew into a successful and highly respected affordable housing management and development company, managing more than one hundred affordable housing communities across eight states.

Throughout his career, Chip became one of the most respected leaders in the affordable housing industry. He served on the Board of Directors and as Vice-President of the national Council for Affordable and Rural Housing, the Housing Association of Mississippi, where he served as President, and the Tennessee Association of Affordable Housing. His knowledge, leadership, and unwavering commitment to affordable housing earned him the respect of colleagues across the country, but it was his genuine concern for others that distinguished him most.

Chip served on the Corinth School District Board of Directors, including a term as Board President. He was also a member of First Baptist Church. He enjoyed developing properties, traveling with his family, and spending time hunting and fishing with friends. His outgoing personality, genuine kindness, and ability to see the good in others allowed him to form friendships that lasted a lifetime. He valued relationships and invested deeply in the people who mattered most to him. His generosity touched countless lives, often in ways known only to those he helped. He never sought recognition for his kindness and found greater satisfaction in serving others than in receiving credit. His quiet compassion, humble spirit, and willingness to help those in need will remain among the most enduring parts of his legacy.

Chip is survived by his wife, Angel; his daughters, Parker and Pierce; his mother, Joan Murphy Peterson; his father-in-law and mother-in-law, Jerry and Joyce Little; and a wide circle of friends, colleagues, employees, and industry partners who were fortunate to know him. He was preceded in death by his father, Herbert J. Peterson Jr.
In lieu of flowers, the family requests that memorial contributions be made to Crosswind Ministry, Lighthouse Foundation, Living Free Ministries, or a charity of the donor's choice

BERNARD J. SWACK

Long-time CARH member, Bernard J. Swack, 95, died peacefully on May 15, 2026, with his loved ones by his side. He was born on July 23, 1930, to Lillian and Myer Swack and grew up on the family farm in West Salem, Ohio. He was a country boy and proud of it. He loved the outdoors and mowing his yard. He loved business which he learned driving his father all over Ohio for the family's trucking concern.

Bernie was an innovator. He and his wife, Allegra, started their company over 50 years ago, The Provident Companies, creating affordable housing projects in rural areas of Ohio. This kind of housing was needed in small towns and Bernie and Allegra wanted to fill that void. Bernie was an early proponent of mini storage and built his company, Lock It Up, in the mid-80s. He was a humble man who didn't realize how many people had jobs and weren't homeless because of his work. He loved his company, his family and the many people who worked for him.

Bernie was a devoted Ohio State fan. He loved going to games in Columbus and several Rose Bowls. He also liked to fish on Lake Erie with his friends and go on cruises. He took his family on a Disney cruise for his 95th birthday and had a fantastic time. He had fun telling the crew how old he was and having them make a big fuss over him.

Bernie was preceded in death by his wife, Allegra; his son, Charles; his brothers Harvey (Lois), Myron (Janice), and his sister, Barbara Lebovitz (Joseph). He is survived by his daughters Diana Swack Salen and Cheryl Swack (Tim McNabb); his granddaughter Sofia Salen (Jeff Hertzberg); his sister Sondra Epstein (Howard) and many nieces, nephews and cousins. A Celebration of Life was held at McElvain Homes, the former Emanuel Jacob Temple, 973 Larchwood Road, Mansfield, OH on August 30, 2026. In lieu of flowers, memorial contributions can be made to: The Renaissance Theatre c/o the Musical Theatre Department, Bernard Swack Memorial, 138 Park Avenue West, Mansfield, OH 44903.


COVER THE EARTH
SHERWIN-WILLIAMS.
We don't stop at walls.
We're more than your go-to source for paint – we're also your go-to source for floorcovering.
For information please contact National Account Executive
Jason Hegenbart 516.318.6344

ADVISORY TRUSTEE PROFILE

PK Companies

Family Owned, Community Focused

Founded in 1981 by Ronald J. "Pete" Potterpin in Okemos, Michigan, PK Companies originally began as PK Housing & Management Inc., a management company focused on meeting the needs of residents and communities. Today, Pete is joined by his wife Terry, and their children, Chris and Lindsey, in fulfilling this mission. In 1990, PK began acquiring and rehabilitating affordable housing properties, and in 1999, PK Construction Company was established. PK Development Group was added in 2006 to address the growing demand for quality housing in Michigan and beyond.

PK Companies provides home management services for over 140 residential communities across seven states, collaborating with local investors, government agencies, and communities to provide housing solutions in both rural and urban areas.

Mission Statement

PK Companies is committed to creating partnerships that provide housing solutions to better fulfill the needs of their communities. They strive to add value to the areas they serve and enrich the lives of the residents.

Vision Statement

Their vision is to partner with communities to create innovative housing solutions that provide stability and prosperity for the residents and neighborhoods they serve.

IMPROVING HOUSING
Providing Opportunities For All

PK Companies boasts a diverse portfolio, which includes high-end market-rate housing, but their specialty lies in enhancing housing and conditions in historically underserved communities. They are actively involved in programs such as the Low-Income Housing Tax Credit, Historic Preservation Tax Incentives, New Market Tax Credit, and Opportunity Zones. They maintain strong relationships with national and state offices of USDA Rural Development, HUD, and various local economic development and housing agencies.

At PK, improving lives is both their mission and their pleasure.

EXPERIENCE YOU CAN TRUST
Partner With PK

PK Companies has a wealth of experience that attracts a variety of real estate investors, including government agencies, private investment firms, and individuals. They cultivate strong, lasting relationships with investment partners that extend beyond the handshake and annual reports. As a family-owned and operated company with a national reach, they offer customized, boutique-level service for projects of any size in various markets.

Leadership

PETE POTTERPIN
PRINCIPAL

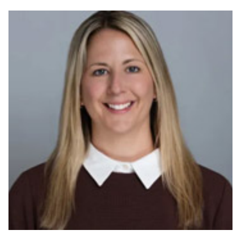
CINDY LANCE
CFO

TERRY POTTERPIN
PRINCIPAL

SHANNA SPURGEON
VICE PRESIDENT OF OPERATIONS

CHRIS POTTERPIN
PRESIDENT OF DEVELOPMENT

TASHA NICHOLS
Regional Director of Property Management



LINDSEY KLUG
PRESIDENT OF MANAGEMENT

Contact PK to discuss how they can help you achieve your real estate goals.

PK Companies
1784 Hamilton Rd
Okemos, MI 48864
517-299-5783

For more information about PK Companies, please visit www.pk-companies.com/
Reprinted from www.pk-companies.com

CARH MEMBERS:

Visit www.carh.org to find the "Members Only" section! This section of CARH's website contains valuable information that CARH provides exclusively to our members. This includes legislative updates, member and vendor directories, and much more!

STATE AFFILIATED ASSOCIATION PROFILE

Missouri CARH

Missouri Council for Affordable Rental Housing, MOCARH, is a non-profit trade organization dedicated to supporting the overall health and viability of affordable rental housing options to support the needs of local communities. Members include property owners, developers, management companies, site managers, non-profits, syndicators, accountants and companies that supply goods and services to the industry. MOCARH provides education and training on government rules, regulations, resources and processes, in addition to significant discounts on products and services vital to the operation, management and maintenance of rental properties. Their goal is to help property owners, property management companies, site managers and site maintenance managers connect, communicate and share ideas to maximize resources, streamline operations, improve occupancy and serve their local communities with affordable housing solutions.

Networking Opportunities

MOCARH is comprised of a dedicated, knowledgeable membership base, motivated to share professional ideas and resources. Members can access the online membership directory to facilitate communication among members, as well as quick access to member and vendor home pages and emails.

MOCARH members gather at an annual conference and vendor fair, typically held in the spring. In addition, MOCARH facilitates training in partnership with Rural Development and the Missouri Housing Development Commission in smaller groups at various locations throughout the state.

MOCARH meetings allow members to hear directly from industry leaders, who provide the most up-to-date information and industry training. Speakers often include the federal and state housing agencies, USDA Rural Development and the Missouri Housing Development Commission. Training is provided on various topics of necessity and interest by certified specialists in the affordable housing industry.

Reduced Fees

MOCARH members and their associated properties receive discounted rates for registration fees for all training. MOCARH members always receive discounted rates on National CARH's membership, meetings, seminars and training events.

Preferred Buyers Program

Members are eligible to receive unprecedented savings thanks to the CARH national Preferred Buyers Program. As National CARH combines the size and strength of the membership, CARH is able to negotiate national supplier agreements at preferred pricing. Preferred Buyers include HD Supply, Innovative Cost Solutions, ONLINE Rental Exchange, Sherwin Williams, Staples, and USI Insurance Services.

For more information, please visit www.mocarh.org or email executivedirector.mocarh@gmail.com.

HDSUPPLY®

YOUR SINGLE-SOURCE MRO SUPPLIER

HD Supply is committed to getting you what you need, where and when you need it.

We offer:

- Free, next-day delivery*
- More than 100,000 products
- Industry-leading support

Trust us to make your job easier with:

- One-click checkout online
- **HD Supply Solutions™ App** for ordering anywhere
- Custom-made products, including doors, cabinets, window coverings, and more
- Professional certification and training
- Property improvement and renovation services

WE'RE ON IT™

3 EASY WAYS TO ORDER

MOBILE APP

1.800.431.3000

hdsupplysolutions.com

*On most orders to most areas.

Glen Smith Sworn in as Under Secretary for Rural Development

U.S. Secretary of Agriculture Brooke Rollins officially swore in Glen R. Smith of Atlantic, Iowa, as U.S. Department of Agriculture Under Secretary for Rural Development. Glen recently took his oath of office at a ceremony at the Iowa State Fair.

"Rural America is the backbone of this nation, and under President Trump, USDA is committed to ensuring our rural communities have the infrastructure, resources, and opportunity they need to thrive," said **Secretary Brooke Rollins**. "Glen Smith has spent his life in rural Iowa as a producer and a business owner supporting agricultural lending and credit and knows firsthand what rural communities across America need to succeed. I'm confident he will be a strong advocate for our farmers and ranchers, and the rural communities where they live and work and raise their families."

"It's a privilege to take this role, and I'm grateful to President Trump and Secretary Rollins for giving me this responsibility," said **Under Secretary Smith**. "Rural Development's programs and people are critical partners in the growth of the rural economy, and I'm looking forward to working with communities across the nation to find ways to bolster the economic engine of rural America."

"Glen Smith is a product of rural Iowa who's spent his career serving fellow farmers. Having grown up in southwest Iowa, he understands our way of life and what it takes for family farmers to feed and fuel the world," said **Senator Chuck Grassley**. "I congratulate Under Secretary Smith on his confirmation, and I look forward to working with him to deliver for the hardworking men and women who keep food on our tables."

"I'm thrilled that my friend and fellow Iowan Glen Smith is officially confirmed as Under Secretary for Rural Development at USDA," said **Senator Joni Ernst**. "Glen is a proven leader with a lifelong commitment to agriculture who I have no doubt will represent Iowans and all of rural America well. I look forward to seeing the revitalization of our communities under his leadership."

"Iowans are in good hands with this confirmation. For over 40 years, Glen Smith has equipped farmers, landowners, and small businesses with the tools they need to succeed, in addition to operating his own family farm," said **Governor Kim Reynolds**. "I can't think of anyone with better firsthand experience to support the development of rural communities across the nation."

"Congratulations to my fellow Iowan, Glen Smith, on his confirmation as USDA Under Secretary for Rural Development. Glen has spent his career fighting for farmers and rural communities, and I know he'll bring that same commitment to this important role," said **Representative Ashley Hinson (IA-02)**. "I look forward to working with Glen and the Trump Administration to strengthen rural infrastructure, expand economic opportunity, and ensure rural communities across Iowa and our nation have the tools they need to thrive."

Smith was born and raised in Iowa and has been farming for over 50 years growing soy, corn, and hay. He also founded Smith Land Service Co., an ag service company specializing in farm management, land appraisal, and farm brokerage. He most recently has served on the Farm Credit Administration Board of Directors and was appointed Chairman by President Trump where he served in that role from 2019 – 2022. Smith is a graduate of Iowa State University. He and his wife, Fauzan, have four grown children and six grandchildren.

Re-printed from a press release provided by USDA Rural Development. For more information, please visit https://www.rd.usda.gov/.

News Links

Affordable Housing Headlines

Get the most current news that affects your business and the affordable rural rental housing industry! CARH gathers breaking and relevant news from leading news outlets such as the *Washington Post*, *The Hill*, the *Wall Street Journal*, and many more, as well as agency press releases and bulletins, industry updates, and much more! We then post it in one convenient place on our website, www.carh.org.

The CARH News

If you have questions, comments, suggestions, or submissions for the CARH News, please contact Tamara Schultz, Membership Manager, at tschultz@carh.org or 703-837-9001.

Nick Tsimortos, General Counsel, and Colleen Fisher, Executive Director.

At the Spectrum Seminars 40th Anniversary Tax Credit Compliance Spectacular held in Portland, ME on August 26-28, 2026, Colleen Fisher was recognized for her contribution to the Affordable Housing Industry by receiving the Spectrum Lifetime Achievement Award for her dedication and commitment over the last 30 years. She received this award live during the opening ceremonies in front of more than 225 people.

CARH Preferred
Buyer-Vendor

ON LINE
RENTAL EXCHANGE

Your Total Tenant-Screening Solution

Join the thousands of property managers nationwide who have chosen the ONLINE Rental Exchange: the premier tenant-screening and bad-debtelimination solution for the rental industry.

With instant criminal, eviction, and credit searches, and ID and income verification available through the web or via integrations with leading property management software platforms, the ONLINE Rental Exchange offers you the information you need to make informed decisions and keep your properties' safe and profitable.

Featuring:

- Instant ID verification, credit, criminal, and eviction reports
- Verification of income and land-lord reference searches
- Customizable leasing decisions based on your needs
- The Exchange Advantage: ONLINE's proprietary consumer database

For more information:
www.ONLINERentalExchange.com
(888) 306-9458
sales@onlinerentalexchange.com

CARH™

HUD's Work-Requirement and Time-Limit Proposal: *Stakeholders Weigh In*

By Kristen Klurfield, Bipartisan Policy Center

Executive Summary

Earlier this year, the Department of Housing and Urban Development published a proposed rule allowing public housing authorities (PHAs) and project-based rental assistance (PBRA) owners to establish work requirements, time limits, or both for residents receiving assistance through the Housing Choice Voucher, public housing, and PBRA programs. The public submitted nearly 2,000 comments in response. The proposed rule would give PHAs and PBRA owners significant new flexibility to encourage work and self-sufficiency, elements of HUD's Moving to Work demonstration program that the Bipartisan Policy Center has explored in prior work. The rule's ultimate success will hinge on whether HUD pairs that flexibility with adequate resources, oversight, and evaluation.

Introduction

Under President Donald Trump, the Department of Housing and Urban Development (HUD) has prioritized economic self-sufficiency, employment, and homeownership, reiterating that rental assistance should be a temporary solution for households progressing toward financial independence. In line with these priorities, HUD published a proposed rule in March 2026 to give public housing authorities (PHAs) and housing providers with project-based rental assistance (PBRA) contracts the flexibility to require work as a condition of assistance for nonelderly, nondisabled households. It also allows PHAs and PBRA owners to place time limits on assistance. The rule's 60-day public comment period offered a valuable opportunity for public input on the proposal, and HUD plans to release a final rule this fall.

If enacted, work requirements or time-limited assistance could affect a significant share of the more than 4.3 million households served by HUD's Housing Choice Voucher (HCV), public housing, and PBRA programs in 2025.

HUD Programs Included in Proposed Rule

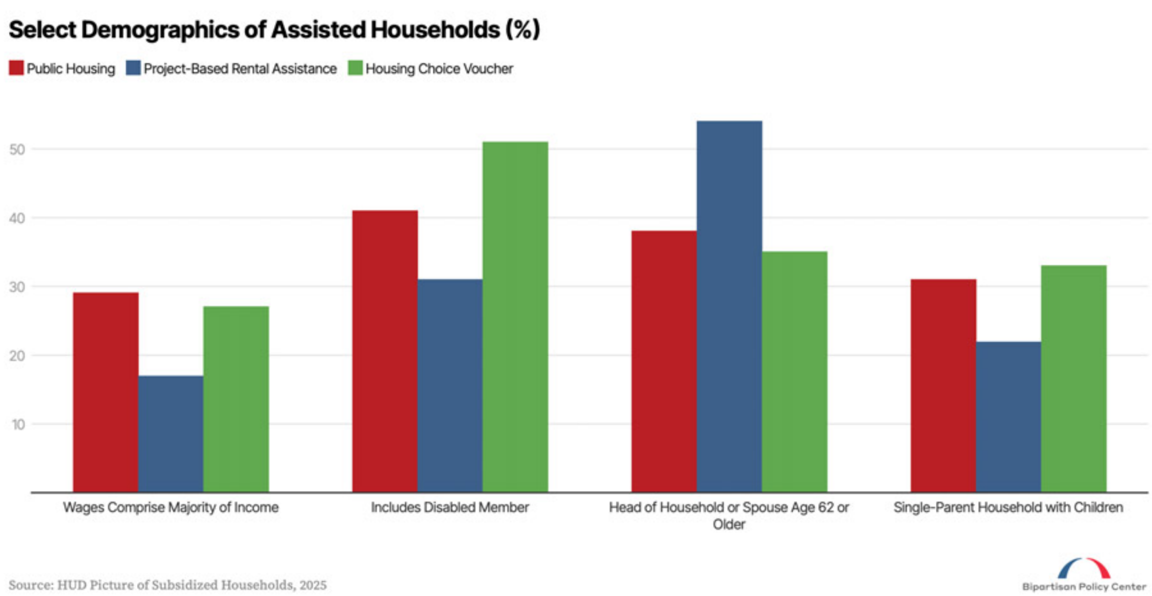
HUD Program	Subsidized Units	Occupied Units
Housing Choice Voucher	2,797,793	2,334,114
Public Housing	848,351	772,585
Project-Based Rental Assistance	1,321,244	1,208,945
Total 4,967,388	4,315,644	

Source: HUD Picture of Subsidized Households, 2025

Proposed Rule Summary

Under the proposed rule, PHAs and PBRA owners may establish work requirements for work-eligible adults (ages 18-61) as a condition of public housing occupancy or receipt of rental assistance through HUD's HCV, Project-Based Voucher (PBV), and PBRA programs.

PHAs and PBRA owners may craft the details of any work-requirement policy, including defining eligible work activities and specifying the number of hours required (up to 40 hours weekly). They may establish different requirements for specific properties and for specific programs.
PHAs and PBRA owners can also elect to establish time limits of no less than two years for the programs listed above. As with work requirements, time limit policies could vary by HUD program or by specific property.
PHAs and PBRA owners that establish work requirements or time limits under this policy must offer supportive services for work-eligible families. These could include referrals to workforce development centers, job counseling and placement, financial literacy coaching, transportation, and child care. Hardship policies are also required for any work-requirement or time-limit policy.



—continued on page 16

—continued from page 15

HUD included exemptions from certain aspects of the proposed rule for HUD-Veterans Affairs Supportive Housing participants, Family Unification Program youth, and Foster Youth to Independence participants, as well as people with disabilities and their primary caretakers, pregnant individuals, primary caretakers of children under age 6, temporarily incapacitated individuals, and those pursuing higher education.

Proposed Rule Justifications and Public Response: An effective voluntary work-requirement or time-limit policy for PHAs and PBRA owners will need to balance local flexibility with appropriate oversight and adequate resources for implementation and evaluation. This section summarizes HUD's justifications for the rule, followed by common themes submitted in public comments from organizations representing PHAs, government agencies, housing providers, and nonprofit partners.[1]

Justification 1: More effectively align limited housing assistance resources with demand

Amid a national affordable housing shortage, implementing work requirements or time limits could help stretch federal dollars and assist more eligible households. Only one in four eligible households receive rental assistance. Further, households that receive assistance often wait years to receive it. Tenant-based HCV recipients spend an average of 29 months on waiting lists prior to receiving assistance; PBV households follow closely, with an average wait of 24 months. In the meantime, many low-income households pay unaffordable rents, leaving little room in their budgets for other necessities, and are at higher risk of being evicted and becoming homeless.

In its submitted comments, the Texas Department of Housing and Community Affairs, which operates a PHA covering 34 counties in the state, noted that mandating work for work-eligible adults could increase assisted households' incomes and enable their agency to serve more families with the same level of resources. In contrast, the National Alliance to End Homelessness and National Low Income Housing Coalition cautioned that these policies might not be effective in communities with tight labor markets, high market-rate rents, or barriers to employment for low-income households.

Justification 2: Increase local flexibility to encourage self-sufficiency

As stated by the North Carolina Department of Health and Human Services, one of the goals of rental assistance programs is to help participating households become self-sufficient. HUD's Moving to Work (MTW) demonstration program, which grants funding and programmatic flexibility to a subset of PHAs, includes a specific statutory objective to increase resident self-sufficiency; to that end, a handful of participating PHAs have already established work requirements for certain households. Some non-MTW PHAs, like Fort Worth Housing Solutions, shared their support for the proposed rule, emphasizing a desire to similarly use work requirements to empower assisted households to achieve longer-term self-sufficiency. The Florida Association of Housing and Redevelopment Officials, representing PHAs across Florida, praised the proposal's flexible approach, which would offer a range of eligible activities to increase self-sufficiency among participating households.

Other public comments highlighted how the rule could lead to additional administrative responsibilities for housing providers. Apartment industry stakeholders cautioned that providers partnering with more than one PHA or in more than one HUD program might have to track multiple work-requirement and time-limit policies. As such, the rule's flexibility could discourage landlord participation in HUD programs. If proposed policy changes lead to higher rates of unit turnover, multifamily housing providers may also experience additional vacancy loss and financial exposure, according to comments submitted by Enterprise Community Partners and by the National Apartment Association and National Multifamily Housing Council.

Justification 3: Balance the income mix of PBRA properties

The PBRA program offers housing assistance for more than 1.2 million lower-income renters, but to date, PBRA owners have not been eligible for HUD's MTW program. The proposed rule could be seen as the first step in offering additional autonomy to these owners, as well as a tool to bolster the PBRA program by increasing employment among residents. In a joint comment, the National Apartment Association and National Multifamily Housing Council expressed support for including PBRA owners in the proposed rule. However, they noted that encouraging PBRA owners to participate may require funding for additional staffing; these owners lack the staffing infrastructure of PHAs and typically operate on slim financial margins. According to the National Leased Housing Association, maintaining the proposed rule as optional could benefit interested PBRA owners without mandating participation for owners with greater financial constraints.

Justification 4: Align with state-level policies requiring work requirements and time limits

This federal change could remove ambiguity for PHAs in states that have laws directing them to establish work-related policies for assisted households, such as Arkansas and Wisconsin. Currently, PHAs in these states must request approval from HUD before changing their policies to comply with state requirements. The Housing Authority of the County of San Mateo recommended adding language to the proposed rule that HUD regulations preempt state laws. It insisted that, without this clarification, additional states could require work as a condition of assistance, negating the voluntary nature of HUD's rule.

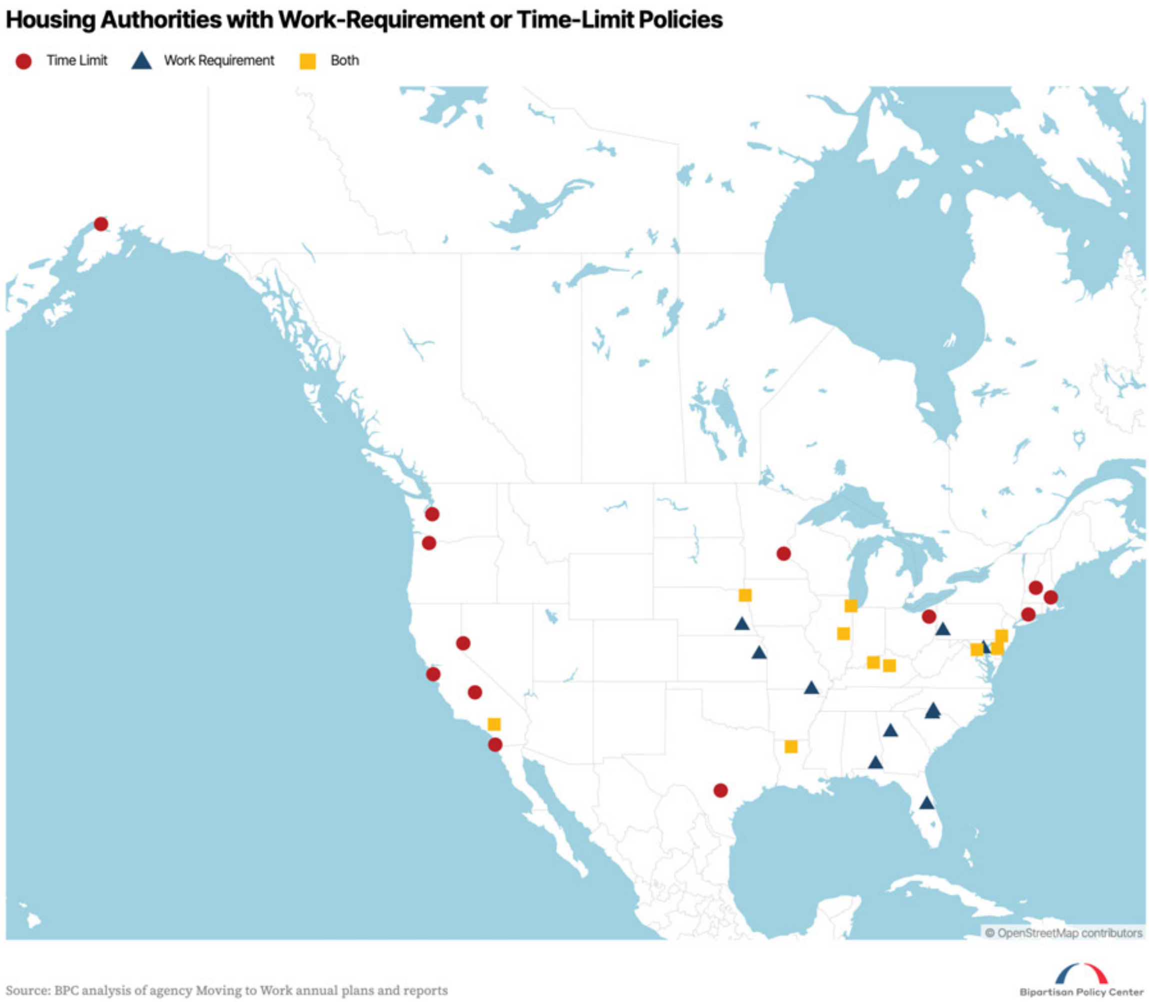
Justification 5: Draw on lessons learned from HUD's MTW demonstration

An estimated 20 MTW PHAs have established some form of work requirement for assisted households, and approximately 21 have established time limits. In fact, HUD drew on some of these agencies' experiences when crafting the proposed rule.

Additional resources or flexibility to facilitate administration and supportive services, as well as requirements for reporting and evaluation, could more closely align the proposed rule with the MTW demonstration. Annual reporting, a requirement of MTW agencies, shows that PHAs routinely offer case management and supportive services alongside their respective work-requirement and time-limit policies.

PHAs have documented the significant staff time and resources involved as well as the employment barriers residents face. Some agencies ultimately discontinued their policies as a result. Others amended policies in an effort to reduce the administrative burden on staff and help residents overcome employment challenges.

In their public comments, MTW agencies Delaware State Housing Authority and Cambridge Housing Authority emphasized the importance of robust supportive services and wraparound supports. Several MTW agencies submitted comments detailing the increased level of staff time



and resources required to implement their work-requirement and time-limit policies.

Few studies have evaluated the impact of work requirements on HUD-assisted households. The only causal study, analyzing work requirements for public housing residents at the North Carolina INLIVIAN PHA, found a small positive impact on employment for participants who also received supportive services. A descriptive analysis of public housing residents in Chicago, which also paired a work mandate with supportive services, found mixed results, reporting high levels of compliance but limited evidence of increased self-sufficiency. The 21st Century ROAD to Housing Act, a comprehensive bipartisan housing package that became law in July 2026, requires HUD to study the benefits and challenges of work requirements on MTW PHAs. HUD could consider adding an evaluation component to the proposed rule to capture the impact of work-requirement and time-limit policies on a much broader set of administrators and households.

Looking Ahead

In conjunction with the release of the proposed rule in March, HUD Secretary Scott Turner launched a Work and Dignity Coalition consisting of PHAs, housing providers, tribes, and nonprofits that support federal efforts to strengthen work and employment among HUD-assisted households. More than 100 PHAs have joined the coalition to date. If the proposed rule is implemented, HUD aims to engage coalition members to share best practices around establishing work requirements and time limits, and connect agencies implementing such policies with those that are considering pursuing them. The Bipartisan Policy Center will monitor the progress of HUD's proposed rule and report on potential impacts for the millions of households that could be subject to the change.

1. While individuals also submitted public comments in response to the proposed rule, the comments included in this issue brief are limited to those submitted by organizations.

Kristen Klurfield *is an associate director for the J. Ronald Terwilliger Housing Policy Center at the Bipartisan Policy Center. Prior to joining BPC, she was a housing policy analyst at the Santa Clara County Housing Authority in San Jose, California. Previously, Klurfield held a fellowship in Enterprise Community Partners' Los Angeles office, where she worked on the preservation of affordable housing and capacity building of nonprofit housing developers. Prior, she was a senior associate at Quadel Consulting and Training, LLC, providing program management, consulting and training to the affordable housing industry. Klurfield has a B.A. from Michigan State University and a master's in public policy from George Washington University.*

Reprinted from www.bipartisanpolicy.org/.
For more information please visit https://bipartisanpolicy.org/.

Habitational Risk Solutions

Professional Liability with Tax Credit Coverage

Innovative Professional Liability Coverage for Affordable Housing Markets

USI is pleased to offer a new professional liability coverage tailored for affordable housing markets. Our team understands the importance of tax credits for affordable housing management companies to operate successfully. Failure to comply with the Low-Income Housing Tax Credit (LIHTC) regulations can lead to recapture of previously given credits and ineligibility for future credits. Our newly developed coverage, placed through a preferred carrier, includes coverage for professional services related to the compliance with housing tax credit rules and regulations.

Policy Highlights

To meet the growing needs of affordable housing markets, our tax credit coverage includes:

- Coverage for professional services related to compliance with housing tax credit rules and regulation
- Up to $5,000,000 General Aggregate limits
- Claims Made form to protect against retroactive tax credit loss exposures
- Broad definition of professional services covered including residential, commercial, retail, or industrial property management and construction management
- Coverage for ownership of properties in excess of 25%
- First Dollar Defense coverage
- Third Party Discrimination coverage
- Definition of employees includes Independent Contractors
- Expanded definition of claim to include: arbitration demand, administrative proceeding, and request to toll the statute of limitations

Proactive Risk Management Strategies

We provide proactive risk management strategies to:

- Management Companies
- Affordable Housing
- Senior Housing
- Coastal Locations
- Developers

The USI ONE Advantage®

To analyze our client's business issues and challenges, our property & casualty team leverages USI ONE®, an interactive platform that integrates proprietary and innovative client solutions, networked local resources and expertise, and enterprise-wide collaboration to deliver customized results with positive, bottom line impact.

How can we help?

For more information, please contact:

Trent Iliff | Vice President, National Habitational Practice USI Insurance Services | www.usi.com
trent.iliff@usi.com | 312-848-3626

WARRIOR RUN DEVELOPMENT CORPORATION
5960 SUSQUEHANNA TRAIL
TURBOTVILLE, PA 17772
1-800-735-3068
TDD: 711
www.liveinpa.com

Committed to managing quality housing throughout the Commonwealth of Pennsylvania. Warrior Run Development Corporation offers affordable single and multi-family housing in all the markets we serve through partnerships with PHFA, Tax Credits, Rural Development and HOME funding.

"Come Home to Us"

EQUAL HOUSING OPPORTUNITY

HARMONY HOUSING℠
AFFORDABLE DEVELOPMENT

Developing Communities, Creating Value, Changing Lives

Harmony Housing Affordable Development is an industry-leading affordable housing developer and developer partner that constructs and preserves multifamily rental communities, increasing value of real estate portfolios and maximizing local impact within revitalized communities.

For more information, contact us, or visit us at www.hhad.org.

Tanya Eastwood
President and Chief Executive Officer
919.573.7515
tanya.eastwood@hhad.org

Connor Hughes
Executive Vice President
315.877.8769
connor.hughes@hhad.org

WHEN FIRE HAPPENS...

Auto-Out® cooktop fire suppressors are there for you



24/7 AUTOMATIC COOKTOP FIRE PROTECTION

HELPS PREVENT PROPERTY DAMAGE

REDUCES INSURANCE CLAIMS

LOWEST, MANUFACTURER-DIRECT PRICING

Phone: 817-924-1370

Email: sales@auto-out.com

Web: www.Auto-Out.com

AUTO-OUT

The 2nd session of the 119th Congress convened on January 3, 2026. On April 26, 2026, the Administration released its Fiscal Year (FY) 2027 budget request. The House Appropriations Committee approved their proposed funding bill on April 30, which still needs to be considered and approved by the full House. The Senate Appropriation Committees is considering its proposed funding bill. A Continuing Resolution (CR) that would fund the government through December 11, 2026, was passed by the Senate in early August and by the House on September 1. The President is expected to sign the CR.

USDA

Rural Development (dollars in millions)	**FY25 Final**	FY26 Final	FY27 Admin	FY27 House	FY27 Senate*	FY27 Final*
502 Single Family Direct	$880	$1,000	$983.2	$1,000		
Nat. Amer. Single Fam. Demo	5	5	0	6		
502 Single Family Guarantee	25,000	25,000	20,000	25,000		
504 Very Low-Income Repair Loans	25	25	25	25		
504 Very Low-Income Repair Grants	25	21	20	**		
515 Rental Housing Direct	60	50	50	50		
514 Farm Labor Housing	15	15	15	15		
516 Farm Labor Housing Grants	7.5	6	6			
521 Rental Assistance (1 year)	1,608	1,715	1,795	1,795		
542 Rural Housing Vouchers	48	48	0	48		
Rental Preservation Demo (MPR)	34	30	30	30		
523 Self-Help TA	25	25	25	25		
533 Housing Preservation Grants	10	6	6	**		
538 Rental Housing Guarantee	400	400	500	400		
Rural Community Develop. Initiatives	5	5	0	5		
Rental Preservation TA	1	2	0	0		
Community Facil. Loans	2,800	1,250	1,250	1,250		
Community Facil. Grants-Earmarks	5	13	0	19.4		
Community Facility Guarantees	650	650	650	650		

**These columns will be filled in as the appropriations process moves forward.*

***The House bill would provide a total of $26 million for Section 504 grants and Section 533 Housing Preservation Grants.*

****The amounts shown here for CF grants are for competitive grants. The final FY26 appropriation and the House FY27 bill include significant additional funds for "Community Project Funding" or "Congressionally Directed Spending" — earmarks.*

HUD

HUD Program (dollars in millions)	FY25 Final	FY26 Final	FY27 Admin	FY27 House	FY27 Senate	FY27 Final
Community Development Fund	3,430	6,995	0	$5,852		
Formula Grants	*3,300*	*3,300*	0	*3,300*		
Economic Develop. Init.- earmarks	*0*	*3,615*	0	*2,522*		
PRO- Housing Competition	*100*	*50*	0	*0*		
HOME Invest. Partnerships	1,250	1,250	0	500		
Self-Help Homeownership (SHOP)	12	12	0**	12		
Tenant-Based RA	36,048	38,439	38,846	38,083		
Contract Renewals	*32,145*	*34,957*	*35,565*	*35,453*		
Tenant Protection Vouchers	*337*	*601*	*300*	*300*		
Administrative Fees	*2771*	*2,836*	*2,951*	*2,300*		
Sec. 811 Mainstream Vouchers	*743*	*0*	*0*	*0*		
VASH Vouchers	*0*	*15*	*0*	*0*		
Tribal VASH Vouchers	*7.5*	*10*	*10*	*10*		
Family Unification	*30*	*30*	*30^*	*30*		
Housing Mobility Services	*0*	*0*	*0*	*0*		
Incremental Voucher Assistance	*15*	*0*	*0*	*0*		
Project-Based Rental Assistance	16,890	18,143	17,640	18,975		
Public Housing						
Public Housing Capital Fund	3,410	3,200	3,200	2,286		
Emergency/Disaster Grants	*30*	*30*	*30*	*30*		
Residential Health Hazards Grant	*0*	*50*	*0*	0		
Public Housing Operating Fund*	5,501	5,024	5,377	4,737		
Self-Sufficiency Programs						
Family Self-Sufficiency	*141*	*156*	*0*	*125*		
Jobs-Plus Pilot	*15*	*10*	*0*	*10*		
Choice Neighborhoods Initiative	75	25	0	0		
NAHASDA						
Native American Hsg Block Grant	*1,111*	*1,111*	*872*	*1,157*		
Competitive Grants	*150*	*125*	*0*	*125*		
Native Hawaii Housing Block Grants	22	22.3	0	15		
Homeless Assist. Grants	4,051	4,417	4,024	4,160		
Hsg. Opps. for Persons with AIDS	505	529	0	529		
202 Housing for Elderly	931	1,031	959	1,061		
Service Coordinator		*122*	*122*	*122*		
811 Housing for Disabled	256	287	266	295		
Fair Housing & Equal Opp.	86	86.4	26	48.5		
Fair Housing Initiatives Program		*56*	*0*	*20*		
Fair Housing Assistance Program		*26.4*	*26*	*26*		
Healthy Homes & Lead Hazard Cntl.	345	296	110	296		
Housing Counseling Assistance	57.5	57.5	0	26		
Policy Development & Research	119	122.5	63	95		
Eviction Protection Grant Program	*20*	*7.5*	*0*	*0*		

** The spending proposal includes funding provided through HUD's Operating formula, plus funding allocated for a need-based grant*

^The President's FY27 budget request specifies $30 million in FUP funding would be used for the Melania Trump Foster Youth to Independence Initiative, targeting vouchers specifically to people between 18-24 years old who are leaving or will soon leave foster care and are at risk of homelessness.

*** The President's FY27 budget request eliminates three separate programs, including the Self-Help Homeownership Opportunity (SHOP) program, and replaces them with a single $16 million grant to Habitat for Humanity to fund activities including assisting low-income homebuyers willing to contribute sweat equity towards the construction of their houses, and increasing the capacity of local affiliates to promote affordable housing and community development.*

July 2026

(The above chart was created using information from the National Low Income Housing Coalition.)

LUMINA
COMPLIANCE

Setting Your Property Up for *Success*

When was the last time you had a Capital Needs Assessment done? Lumina can help!

Scan to get in touch!

WWW.LUMINACOMP.COM

Our Services

Accessibility Inspections
Capital Needs Assessments
Regulatory Compliance
First Year Certification Reviews

A proud member of the Council for Affordable and Rural Housing

GILL GROUP

NATIONWIDE VALUATION AND MARKET FEASIBILITY EXPERTS

NATIONAL TITLE

A DIVISION OF GILL GROUP

LOWEST PRICE, FASTEST TURNAROUND

MOST EXPERIENCED, AND NATIONWIDE COVERAGE

Our complete package of services helps streamline the application process keeping the information, analysis and conclusions consistent making it easier for the end user to review any application.

Gill Group
512 N. One Mile Road | Dexter, MO 63841
info@gillgroup.com | 800.428.3320
gillgroup.com

National Title & Escrow
1526 W. Business Hwy. 60 | Dexter, MO 63841
ntorders@national-te.com | 573.624.9990
national-te.com

PURPOSE-BUILT TO DRIVE **OPERATIONAL EXCELLENCE**

RealPage® Affordable Housing property management solutions are designed to reduce expenses, mitigate risk and take productivity and efficiency to the next level.

Built on a platform of connected intelligence, they help streamline and automate processes allowing you to stay ahead of the compliance curve, lower operating costs, create more efficient workflows, address staffing shortages and fuel organizational growth.

REALPAGE®

Visit realpage.com/affordable for more information
or call 1-87-REALPAGE

Enterprise®

EnterpriseCommunity.org

MARK YOUR CALENDAR

Upcoming Meetings

NATIONAL CARH MEETINGS

2027 Midyear Meeting

1/25-27/2027

CARH's 2027 Midyear Meeting will be held January 25-27, 2027, at the Arizona Biltmore in Phoenix, Arizona. The recipients of the 2026 Harry L. Tomlinson, Member of the Year, and State Affiliated Association of the Year Awards will be announced.

2028 Midyear Meeting

1/24-26/2028

CARH's 2028 Midyear Meeting will be held January 24-26, 2028, at the Eau Palm Beach Resort & Spa in Manalapan, Florida. The recipients of the 2027 Harry L. Tomlinson, Member of the Year, and State Affiliated Association of the Year Awards will be announced.

2028 Annual Meeting & Legislative Conference

6/26-28/2028

CARH's 2028 Annual Meeting & Legislative Conference will be held June 26-28, 2028, at The Ritz-Carlton, Pentagon City, in Arlington, Virginia. The 2028 Scholarship Foundation's scholarship recipients will be announced.

2029 Annual Meeting & Legislative Conference

6/25-27/2029

CARH's 2029 Annual Meeting & Legislative Conference will be held June 25-27, 2029, at The Ritz-Carlton, Pentagon City, in Arlington, Virginia. The 2029 Scholarship Foundation's scholarship recipients will

STATE AFFILIATED ASSOCIATION AND PARTNER MEETINGS FOR 2026

Michigan Rural Development Council (MRDC) 2026 Annual Owner & Developer Conference

9/8-9/2026

The Michigan Rural Development Council (MRDC) will host its Annual Owner & Developer Conference on September 8-9, 2026, at the Soaring Eagle Casino in Mt. Pleasant, MI. For more information, visit https://mirdc.org. The meeting contacts are Aaron Grau at aaron@globalassocpartners.com and Marc Jordon at marc@globalassocpartners.com.

Housing Association of Mississippi (HAM) 2026 Annual Conference

9/16-18/2026

The Housing Association of Mississippi (HAM) will host its Annual Conference on September 16-18, 2026, at the Beau Rivage in Biloxi, Mississippi. For more information, visit www.ham-inc.org. The meeting contact is Ettie Pittman at 601-790-7292 or housingms@yahoo.com.

Florida Council for Affordable & Rural Housing (FLCARH) 2026 Annual Conference

10/19-22/2026

The Florida Council for Affordable and Rural Housing (FLCARH) will host its Annual Conference on October 19-22, 2026, at the Sheraton Sand Key in Clearwater, Florida. For more information, visit www.flcarh.com. The meeting contact is Kevin Flynn at 727-449-1182 or kflynn@flynnmanagement.com.

Wisconsin Council for Affordable & Rural Housing (WI-CARH) 2026 Annual Conference

11/4/2026

The Wisconsin Council for Affordable and Rural Housing (WI-CARH) will host its 27^{th} Annual Conference on November 4, 2026, at the Wilderness Resort in Wisconsin Dells, Wisconsin. For more information, visit www.wicarh.org. The meeting contact is Diane Hamm at 608-437-2300 or info@wicarh.org.

Tennessee Association of Affordable Housing (TAAH) 2026 Annual Conference

11/11-13/2026

The Tennessee Association of Affordable Housing (TAAH) will host its Annual Conference on November 11-13, 2026, at the Hilton Nashville Green Hills in Nashville, Tennessee. For more information, visit www.tnaah.org. The meeting contact is Cynthia Hurst at info@tnaah.org.

Affordable Housing Association of Indiana (AHAIN) 2026 Affordable Housing Conference & Annual Meeting

11/18-19/2026

The Affordable Housing Association of Indiana (AHAIN) will host its Affordable Housing Conference and Annual Meeting on November 18-19, 2026, at the Embassy Suites by Hilton in Noblesville, Indiana. For more information, visit www.inaha.org. The meeting contact is Amanda Clark at 317-210-0053 or ahain@inaha.org.

STATE AFFILIATED ASSOCIATION AND PARTNER MEETINGS FOR 2027

Mid-Atlantic Council for Affordable Housing (MCAH) 2027 Annual Meeting

4/18-20/2027

The Mid-Atlantic Council for Affordable Housing (MCAH) will host its Annual Meeting April 18-20, 2027, at the Marriott Grande Dunes Resort & Spa in Myrtle Beach, SC. For more information, visit www.midatlanticcah.org. The meeting contact is Jill Odom at 919-529-4937 or director@midatlanticcah.org.

Florida Council for Affordable & Rural Housing (FLCARH) 2027 Annual Conference

10/18-20/2027

The Florida Council for Affordable and Rural Housing (FLCARH) will host its Annual Conference on October 18-20, 2027, at the Sheraton Sand Key in Clearwater, Florida. For more information, visit www.flcarh.com. The meeting contact is Kevin Flynn at 727-449-1182 or kflynn@flynnmanagement.com.

Wisconsin Council for Affordable & Rural Housing (WI-CARH) 2027 Annual Conference

10/21/2027

The Wisconsin Council for Affordable and Rural Housing (WI-CARH) will host its 28th Annual Conference on October 21, 2027, at the Wilderness Resort in Wisconsin Dells, Wisconsin. For more information, visit www.wicarh.org. The meeting contact is Diane Hamm at 608-437-2300 or info@wicarh.org.

Affordable Housing Association of Indiana (AHAIN) 2027 Affordable Housing Conference & Annual Meeting

11/10-11/2027

The Affordable Housing Association of Indiana (AHAIN) will host its Affordable Housing Conference and Annual Meeting on November 10-11, 2027, in Muncie, Indiana. For more information, visit www.inaha.org. The meeting contact is Amanda Clark at 317-210-0053 or ahain@inaha.org.

To add your State Affiliated Association's annual meetings or conferences to this list, please contact CARH at carh@carh.org.

CARH Membership Application

Join CARH Today! Please click on the appropriate link to either apply online or to download the Membership Application.

Subscribe to CARH's *Electronic AN Express* Today

Exclusively for CARH Members

The *Electronic AN Express* contains key excerpts from the *Federal Register,* RD Administrative and Procedural Notices, Unnumbered Letters, HUD Housing Notices and other regulatory notices relevant to the affordable housing industry. The *Electronic AN Express* is emailed directly to our subscribers the same day they are released. Instead of having to go through pages and pages of reports, you get the information you need as soon as it is available.

The *Federal Register* is the official journal of the federal government. It is published every day (except weekends and federal holidays) by the Office of the Federal Register, an office in the National Archives and Records Administration. It contains:

- Federal Agency Regulations
- Proposed Rules and Public Notices
- Executive Orders
- Proclamations

CARH members exclusively may subscribe to the *Electronic AN Express* for an annual fee of $275.00. To order your subscription today, email carh@carh.org or call 703-837-9001. Don't miss crucial information which may impact your business!

21st Century ROAD to Housing Act Implementation Tracker

The Bipartisan Policy Center (BPC) has developed a hub that will provide up-to-date information on the implementation and impact of the ROAD Act. The hub can be accessed here.

The 21st Century ROAD to Housing Act (ROAD Act) became law on July 11, 2026. Spanning 12 titles and 60 sections, this comprehensive bipartisan package touches nearly every dimension of housing policy—housing supply, manufactured and rural housing, homeownership access, program reform, veterans housing, oversight and accountability, and community banking.

The law requires new and expanded federal programs, regulatory changes, new studies and reports to Congress, and coordination across agencies. Most of that work falls to HUD, which must implement dozens of statutory directives—many with tight deadlines—with limited staff capacity. Full implementation could take years.

On this hub, BPC will provide ongoing updates and resources to help housing stakeholders, federal agencies, and policymakers at every level of government understand this landmark legislation, track its implementation, and evaluate its impact.

CARH news

CARH News is a bi-monthly publication of the Council for Affordable and Rural Housing (CARH). Material may not be reproduced without permission (direct requests to carh@carh.org).

The Council for Affordable and Rural Housing (CARH) is a non-profit association that was founded in 1980. For over 35 years, CARH has served as the nation's leading advocate for the financing, development, and management of affordable rural housing. There is no other association that solely represents the needs of the rural housing industry and its participants, which include owners, developers, managers, non-profits, housing authorities, syndicators, accountants, architects, attorneys, bankers, and vendors to the industry. For more information about the benefits CARH provides to its members, including savings, networking, continued education, resources, and meetings, please visit www.carh.org.

Council for Affordable and Rural Housing (CARH)
116 S. Fayette Street, Alexandria, VA 22314
703-837-9001 phone • 703-837-8467 fax
www.carh.org • carh@carh.org

CARH news

COUNCIL FOR AFFORDABLE AND RURAL HOUSING
116 S. Fayette Street
Alexandria, VA 22314

(703) 837-9001 **phone**
(703) 837-8467 **fax**

WEBSITE www.carh.org
E-MAIL carh@carh.org

Follow CARH on

Become a Fan of CARH on

Visit CARH on

Join the CARH Group on