

**IOWA FINANCE AUTHORITY[265]**

**Adopted and Filed**

**Rulemaking related to home and community-based services revolving loan program**

The Iowa Finance Authority hereby rescinds Chapter 21, “Home and Community-Based Services Revolving Loan Program,” Iowa Administrative Code, and adopts a new Chapter 21 with the same title.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 16.5.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code sections 16.5 and 16.47.

*Purpose and Summary*

Pursuant to Executive Order 10, the Authority is rescinding Chapter 21 and adopting a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Home and Community-Based Services Revolving Loan Program. The program provides loans to sponsor organizations that seek to assist in the development and expansion of specific community-based services; respite services; congregate meals; and health and wellness, health screening, and nutritional assessments that will allow persons of low income to remain in their homes pursuant to Iowa Code section 16.47.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 10, 2025, as **ARC 9798C**. A public hearing was held on the following date(s):

- January 6, 2026
- January 8, 2026

No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Authority Board on February 4, 2026.

*Fiscal Impact*

This rulemaking has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting.

The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on April 8, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 265—Chapter 21 and adopt the following **new** chapter in lieu thereof:

CHAPTER 21  
HOME AND COMMUNITY-BASED SERVICES REVOLVING LOAN PROGRAM

**265—21.1(16) Available funds.** Any unallocated or recovered funds, payments of interest and principal, or any combination thereof, may be awarded or may be carried over to the next year's cycle of loans at the discretion of the authority.

**265—21.2(16) Application procedure.** Applications for assistance under this program are to be made on forms and in the manner provided by the authority. Inquiries with respect to this program should be made to those persons identified on the authority's website as contacts for this program. Once contacted with an inquiry, the authority will send an application package to the potential applicant. In the event it becomes necessary to amend the application, the authority will post the amended version of the application on its website. The authority will take such applications from time to time and will analyze and award loans to applicants on an ongoing basis.

**265—21.3(16) Program guidelines.** For-profit and nonprofit sponsors are eligible to apply for assistance under this program based on the following program guidelines:

**21.3(1)** Projects meeting the following criteria are eligible for assistance:

*a.* In the case of adult day services:

- (1) Set aside 40 percent of the admissions for those with incomes at or below 40 percent of area median income (AMI) for the county in which the property is located;
- (2) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay;
- (3) Accept third-party reimbursement, including Medicaid 1915(c) waiver(s), and meet the standards set forth in 441—Chapter 77; and
- (4) Become and remain certified as an adult day services provider as set forth in 481—Chapters 67 and 70.

*b.* In the case of respite services:

- (1) Provide services to underserved people in the community;
- (2) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay;
- (3) Accept third-party reimbursement, including Medicaid 1915(c) waiver(s), and meet the standards set forth in 441—Chapter 77; and
- (4) Meet all local, state and federal requirements subject to health care limits of the proposed setting.

*c.* In the case of congregate meals, establish and maintain a contract with the area agency on aging to provide congregate meals under the standards established for such a program under the federal Older Americans Act.

*d.* In the case of programming space for health and wellness:

- (1) Adopt research-based practices to prevent disease and improve overall wellness, resulting in measurable outcomes for participants;
- (2) Provide educational opportunities on disease prevention, physical activity, and nutritional choices; and

(3) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay.

*e.* In the case of programming space for health screening:

(1) Use a licensed health care professional to provide screening and assessment services within the limits of the professional's license;

(2) Provide services to underserved people in the community; and

(3) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay.

*f.* In the case of programming space for nutritional assessments:

(1) Use a registered dietitian to provide assessment and counseling services;

(2) Establish a service fee that is affordable to those with incomes at or below 40 percent of AMI for the county in which the property is located, or agree to adjust fees based on a person's ability to pay; and

(3) Accept third-party reimbursement for nutritional counseling, including one or both of the following:

1. Medicaid 1915(c) waiver(s) and meet the standards set forth in 441—Chapters 77 and 78;

2. The Older Americans Act, 42 U.S.C. §3001 et seq., and meet the standards set forth in 441—Chapter 228.

*g.* A demonstrated market need for the project and a good location, both as determined by the authority in its sole discretion.

*h.* Assistance provided under this program enables the project to maintain financial feasibility and affordability for at least the term of the loan.

*i.* Maintenance and debt service reserve funds are adequately funded, as determined by the authority in its sole discretion.

*j.* Comply with all applicable federal, state and local laws and rules related to the specified service or services offered by the sponsor.

**21.3(2)** The following types of activities are eligible for assistance:

*a.* Acquisition and rehabilitation.

*b.* New construction.

*c.* Rehabilitation to expand a current program.

*d.* Such other similar activities as may be determined by the authority to fall within the guidelines and purposes established for this program.

**21.3(3)** Assistance will be provided upon the following terms and conditions:

*a.* The minimum loan amount is \$50,000, and the maximum loan amount is \$1 million. The maximum loan term and amortization period are each 20 years.

*b.* The acceptable debt service ratio and loan-to-value ratio will be calculated and determined by the authority.

*c.* Interest rates will be set by the authority, in its sole discretion.

*d.* Loans shall be secured by a first mortgage; provided, however, that in limited cases the authority may consider a subordinate mortgage when the first mortgage is held by another entity.

*e.* Recipients of assistance must agree to observe several covenants and restrictions, including but not limited to recorded affordability and transfer restrictions, all in accordance with such loan and mortgage documents as may be required by the authority under this program.

*f.* Recipients shall execute such documents and instruments and must provide such information, certificates and other items as determined necessary by the authority, in its sole discretion, in connection with any assistance.

**21.3(4)** Loan fees.

*a.* Loan fees are as follows:

(1) Commitment fee (construction period) – 1.0 percent of the loan amount.

(2) Commitment fee (permanent loan) – 2.0 percent of the loan amount.

(3) Inspection fee – 0.5 percent of construction loan amount.

(4) Application fee – 0.3 percent of total loan amount requested, payable with the submission of loan application.

*b.* The authority may, in limited cases, reduce such fees if necessary in connection with assistance provided under this program. Such decision will be made in the sole discretion of the authority.

*c.* The authority will refund to the borrower one-half of the permanent loan commitment fee if the borrower's loan is paid off within five years of the closing of the loan.

**265—21.4(16) Authority analysis of applications.** Authority staff, in cooperation with the department of inspections, appeals, and licensing or the division of aging and disability services within the Iowa department of health and human services (or both, as necessary), will analyze and underwrite each potential project and will make recommendations for funding assistance to the board of the authority. Authority staff will use such procedures and processes in its underwriting and analysis as it deems necessary and appropriate in connection with furthering the purposes of this program. In addition, the authority anticipates that, because of the complex nature of each transaction, and the particular set of circumstances attributable to each particular application/transaction, the terms and conditions of loans may vary from project to project. The authority will make available its general operating procedures and guidelines for this program.

**265—21.5(16) Discretion of authority board.** The authority board of directors has the sole and final discretion to award or not award assistance and to approve final loan terms.

**265—21.6(16) Closing/advance of funds.** If all requirements of the authority are not met in accordance with any time frames set by the authority and to the complete satisfaction of the authority, all in the sole discretion of the authority, the authority may determine to cease work on an approved project and, accordingly, not advance any funds for such project.

These rules are intended to implement Iowa Code section 16.47.

[Filed 2/12/26, effective 4/8/26]

[Published 3/4/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 3/4/26.