

IOWA FINANCE AUTHORITY[265]

Adopted and Filed

Rulemaking related to community housing and services for persons with disabilities revolving loan program

The Iowa Finance Authority hereby rescinds Chapter 43, “Community Housing and Services for Persons with Disabilities Revolving Loan Program,” Iowa Administrative Code, and adopts a new Chapter 43 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 16.49.

Purpose and Summary

Pursuant to Executive Order 10, the Authority is rescinding Chapter 43 and adopting a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Community Housing and Services for Persons with Disabilities Revolving Loan Program. The program provides loans to sponsor organizations to construct affordable permanent supportive housing or develop infrastructure in which to provide supportive services, including through new construction, acquisition and rehabilitation of existing housing or infrastructure, or conversion or adaptive reuse pursuant to Iowa Code section 16.49.

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 9799C**. 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 43 and adopt the following **new** chapter in lieu thereof:

CHAPTER 43
COMMUNITY HOUSING AND SERVICES FOR PERSONS
WITH DISABILITIES REVOLVING LOAN PROGRAM

265—43.1(16) Definitions. When used in this chapter, unless the context otherwise requires:

“Authority” means the Iowa finance authority.

“Department” means the Iowa department of health and human services.

“Infrastructure” means the building and permanent improvements necessary for the support of Medicaid waiver-eligible individuals.

“Medicaid waiver-eligible” means eligible to receive 19 U.S.C. Section 1915(c) home and community-based services waivers under 441—Chapter 83.

“Permanent supportive housing” means a community-based dwelling that has supportive services for persons with disabilities. This type of supportive housing enables special needs populations to live as independently as possible in a permanent setting.

“PMIC” means psychiatric medical institutions for children.

“Program” means the community housing and services for persons with disabilities revolving loan program.

265—43.2(16) Award of loan funds. It is the authority's intent to award loans under the program to those applicants that meet all of the requirements of this chapter and the published underwriting standards of the loan program. The authority intends to award the available funds under this program each year if applicants meet all applicable requirements.

265—43.3(16) Application process. 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. The authority occasionally will take such applications and will analyze and award loans to applicants on an ongoing basis.

265—43.4(16) Program guidelines. For-profit and nonprofit sponsors are eligible to apply for assistance under this program based on the following program guidelines after receiving approval of a service plan to benefit the Medicaid waiver-eligible individuals who reside in the project. The service provider may apply for the loan fund; however, the service provider does not have to be the applicant for the loan fund. If the service provider is not the loan applicant, a memorandum of understanding must exist between the loan applicant and the service provider that shows an obligation on behalf of the service provider to deliver services to the Medicaid waiver-eligible individuals residing in the project and that shows that the loan applicant is obligated to offer housing to the Medicaid waiver-eligible individuals who need the services provided by the service provider.

43.4(1) Projects meeting the following criteria are eligible for assistance:

a. Written approval from the department for the proposed project is obtained prior to application for loan funds.

b. In order to be approved by the department, the project must demonstrate all of the following components:

(1) The project serves one of the following Medicaid waiver-eligible populations:

1. Individuals who are currently underserved in community settings, including individuals who are physically aggressive or have behaviors that are difficult to manage or individuals who meet the PMIC level of care; or

2. Individuals who are currently placed out of state by the department; or

3. Individuals who are currently receiving care in an Iowa-licensed health care facility.

(2) A plan to provide each Medicaid waiver-eligible individual with crisis stabilization services to ensure that the individual's behavioral issues are appropriately addressed by the provider.

(3) Policies and procedures that prohibit discharge of the Medicaid waiver-eligible individual from the waiver services provided by the project provider unless an alternative placement that is acceptable to the individual or the individual's guardian is identified.

c. In order to be approved by the department for application for funding for development of infrastructure in which to provide supportive services under this chapter, a project shall include all of the following components:

(1) Provision of services to Medicaid waiver-eligible individuals who meet the PMIC level of care.

(2) Policies and procedures that prohibit discharge of the Medicaid waiver-eligible individual from the waiver services provided by the project provider, unless an alternative placement that is acceptable to the individual or the individual's guardian is identified.

43.4(2) The following types of activities are eligible for assistance:

a. Acquisition and rehabilitation.

b. New construction.

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

43.4(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 \$500,000. The maximum loan term and the amortization period is each 30 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 to the extent possible. Construction financing may be awarded to projects.

e. Recipients of assistance must agree to observe several covenants and restrictions all in accordance with such loan and mortgage documents as may be required by the authority under this program.

f. The recipient must show that its title in the real estate on which the project is to be located is a marketable title pursuant to Iowa Land Title Examination Standards or other applicable law through a title guaranty certificate issued by the title guaranty division of the Iowa finance authority that shows the recipient as the guaranteed and that includes any endorsements required by the authority.

g. Recipients must 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.

43.4(4) Loan fees.

a. Loan fees are as follows:

(1) Application fee – 0.3 percent of loan amount.

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

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

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

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.

265—43.5(16) Authority analysis of applications. Authority staff will analyze and underwrite each potential project and will make recommendations for funding assistance to the authority board of directors. 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 will vary from project to project. The authority will make available its general operating procedures and guidelines for this program.

265—43.6(16) Discretion of authority board. The authority board of directors has the sole and final discretion to award or not to award assistance and to approve final loan terms.

265—43.7(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 sections 16.5(1) and 16.49.

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

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