

CHAPTER 39  
HOME INVESTMENT PARTNERSHIPS PROGRAM

Chapter rescission date pursuant to Iowa Code section 17A.7: 4/8/31

**265—39.1(16) Purpose.** The primary purpose of HOME is to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families or to strengthen public-private partnerships or to provide direct rental assistance to low-income people.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

**265—39.2(16) Definitions.** When used in this chapter unless the context otherwise requires:

“*Activity*” means one or more specific housing activities, projects or programs assisted through HOME.

“*Administrative plan*” means a document that a HOME recipient establishes that describes the operation of a funded activity in compliance with all state and federal requirements.

“*Authority*” means the Iowa finance authority established pursuant to Iowa Code section 16.1A.

“*CHDO*” means a community housing development organization certified as such by the authority pursuant to 24 CFR §92.2.

“*Consolidated plan*” means the state’s housing and community development planning document and the annual action plan update approved by HUD pursuant to 24 CFR 91.

“*Contract*” means a binding written agreement executed by the authority and the recipient or subrecipient for the purpose of utilizing HOME funds to build, buy or rehabilitate (or both buy and rehabilitate) affordable housing for rent or homeownership or to provide direct rental assistance to low-income people.

“*HOME*” means the HOME Investment Partnerships Program authorized by the Cranston-Gonzalez National Affordable Housing Act of 1990.

“*HUD*” means the U.S. Department of Housing and Urban Development.

“*Low-income*” means families whose annual incomes do not exceed 80 percent of the median income for the area as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. An individual does not qualify as a low-income family if the individual is enrolled as a student at an institution of higher education; is under 24 years of age; is not a veteran of the United States military; is unmarried; does not have a dependent child; is not a person with disabilities as such term is defined in section 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) and was not receiving assistance under section 8 of the 1937 Act as of November 30, 2005; and is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income to receive assistance under section 8 of the 1937 Act, or does not have parents who qualify as low-income.

“*Period of affordability*” means the period of time as specified in 24 CFR §92.252 and 24 CFR §92.254 that requirements under HOME must be followed.

“*Program income*” means gross income received by the participating jurisdiction, state recipient, or a subrecipient at any time, generated from the use of HOME funds or matching contributions.

“*Project*” means a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME funds as a single undertaking. The project includes all the activities associated with the site and building. For tenant-based rental assistance, project means assistance to one or more families.

“*Recaptured funds*” means HOME funds that are recouped by the recipient when the housing unit assisted by the HOME program homebuyer funds does not continue to be the principal residence of the assisted homebuyer for the full period of affordability.

“*Recipient*” means the entity under contract with the authority to receive HOME funds and undertake the funded housing activity.

“*Repayment*” means HOME funds that the recipient repays to the authority because the funds were invested in a project or activity that is terminated before completion or were invested in a project or activity that failed to comply with federal program requirements.

“*Subrecipient*” means a governmental entity or nonprofit organization selected by the authority to administer all or a portion of the authority’s HOME programs to produce affordable housing, provide homeownership assistance, or provide tenant-based rental assistance under the HOME program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient. The selection of a subrecipient by the authority is not subject to the procurement procedures and requirements under federal or state law.

“*Very low-income*” means low-income families whose annual incomes do not exceed 50 percent of the median family income for the area as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. An individual does not qualify as a very low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

**265—39.3(16) Eligible applicants.** Eligible applicants for HOME assistance include nonprofit 501(c) organizations, CHDOs, and for-profit corporations or partnerships.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

**265—39.4(16) Eligible activities and forms of assistance.**

**39.4(1)** Eligible activities may include tenant-based rental assistance, rental housing rehabilitation, rental housing new construction and adaptive reuse, homebuyer assistance that includes some form of direct subsidy to the homebuyer, and other housing-related activities as may be deemed appropriate by the authority.

**39.4(2)** Eligible forms of assistance include grants, interest-bearing loans, non-interest-bearing loans, interest subsidies, deferred payment loans, forgivable loans or other forms of assistance as may be approved by the authority.

**39.4(3)** Program income may be retained by the recipient upon written agreement prepared by the authority and executed by the recipient or subrecipient and the authority.

**39.4(4)** A site including any building located thereon or project acquired or used for rental activities must be held in fee simple title by the recipient upon the disbursement of HOME funds and throughout the contract term with the authority. An installment contract or leasehold interest is not an acceptable recipient interest.

**39.4(5)** A site including any building located thereon or project acquired or used for homebuyer activities must be held in fee simple title by the recipient or homebuyer upon the disbursement of HOME funds and throughout the contract term with the authority. An installment contract or leasehold interest is not an acceptable recipient or homebuyer interest.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

**265—39.5(16) Application procedure.** HOME applications will be received from eligible applicants in the online system prescribed by the authority as often as the state expects funding from HUD. At a minimum, applications will include the amount of funds requested, a description of the need for the funds, documentation of other available committed funding sources, the source of required local match, and the estimated number of persons to be served by the applicant. Maximum and minimum grant awards will be established by the authority for each application round.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

**265—39.6(16) Application requirements.** An application that meets the following threshold criteria will be considered for HOME assistance:

**39.6(1)** The application proposes a housing activity consistent with the HOME fund purpose and eligibility requirements and the state consolidated plan approved by HUD.

**39.6(2)** The application documents the applicant's capacity to administer the proposed activity. Such documentation may include evidence of successful administration of prior housing activities. The authority reserves sole discretion to deny funding to an applicant that has failed to comply with federal or state requirements in the administration of a previous project funded by the state of Iowa or that failed to comply with federal requirements in the administration of a previous project funded in any other state. Documentation of the ability of the applicant to provide technical services and the availability of certified lead professionals and contractors either trained in safe work practices or certified as abatement contractors may also be required as applicable to the HOME fund activity.

**39.6(3)** Recipients of funds for homeownership as defined by 24 CFR §92.254 may allow the beneficiaries of the funds to use a principal mortgage loan product from a third party that meets the following criteria:

*a.* With the exception of Habitat for Humanity principal mortgage loan products, the principal mortgage loan is the only repayable loan in all individual homebuyer assistance projects.

*b.* The HOME assistance must be recorded in second lien position to the principal mortgage loan, if one exists. Recipients of HOME homebuyer assistance must maintain their assistance security agreements in the above-stated recording position throughout the applicable period of affordability and will not be allowed to subordinate the required recording position to any other form of assistance, such as home equity loans. A homebuyer search is required, and any collection/unpaid obligation that would become a judgment or any judgments must be paid in full prior to closing.

*c.* Any mortgage lending entity's principal mortgage loan products may be used provided the entity's principal mortgage includes the following terms:

- (1) Fully amortized, fixed-rate loan with rate not to exceed Fannie Mae 90-day yield + 0.125 percent;
- (2) No less than a 15-year, fully amortized, fixed-rate mortgage will be allowed; and
- (3) No adjustable rate mortgages or balloon payment types of mortgages will be allowed.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

#### **265—39.7(16) Application review criteria.**

**39.7(1)** The authority will evaluate applications and make funding decisions based on general activity criteria, need, impact, feasibility, and activity administration based upon the specific type of activity to be undertaken. The general activity criteria will be included in the application. Training will be offered prior to the application deadline to provide information and technical assistance to potential applicants.

**39.7(2)** Notice of the availability of funding and the funding round requirements will be placed on the authority's website at [opportunityiowa.gov](http://opportunityiowa.gov).

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

#### **265—39.8(16) Allocation of funds.**

**39.8(1)** The authority may retain up to 10 percent of the state's annual HOME allocation from HUD for administrative costs associated with program implementation and operation.

**39.8(2)** Not less than 15 percent of the state's annual HOME allocation is reserved for eligible housing activities developed, sponsored or owned by CHDOs unless HUD allows a lower percentage.

**39.8(3)** The authority reserves the right to negotiate the amount of funds provided for general administration, but the maximum amount of the total HOME award that may be used for general administrative costs is 10 percent of the HOME award. Only local government and nonprofit recipients are eligible for general administrative funds.

**39.8(4)** The authority reserves the right to negotiate the amount and terms of a HOME award.

**39.8(5)** The authority reserves the right to make award decisions such that the state maintains the required level of local match to HOME funds.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

**265—39.9(16) Administration of awards.** Applicants selected to receive HOME awards will be notified by letter from the authority's director or designee. The authority and the recipient or subrecipient will execute a contract prepared by the authority.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

**265—39.10(16) Requests for funds.** Recipients shall submit requests for funds in the manner and on forms prescribed by the authority. Adequate and itemized documentation supporting the amount of funds requested must be provided to and approved by the authority prior to release of funds. For rental projects, the authority may retain up to 10 percent of the total HOME award for up to 30 days after the recipient satisfactorily completes the work, all HOME-assisted units have been initially occupied, and a final draw and completion form has been submitted to and approved by the authority.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

**265—39.11(16) References.** All references to the Code of Federal Regulations, United States Code, and federal acts, including the Cranston-Gonzalez National Affordable Housing Act of 1990 and the United States Housing Act of 1937, in this chapter are as in effect April 8, 2026.

[ARC 0114D, IAB 3/4/26, effective 4/8/26]

These rules are intended to implement Iowa Code section 16.5(1) “*f*” and “*m*” and the Cranston-Gonzalez National Affordable Housing Act of 1990.

[Filed Emergency ARC 8963B, IAB 7/28/10, effective 7/8/10]

[Filed ARC 9284B (Notice ARC 9159B, IAB 10/20/10), IAB 12/15/10, effective 1/19/11]

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[Filed Emergency ARC 0003C, IAB 2/8/12, effective 1/20/12]

[Filed Emergency After Notice ARC 0500C (Notice ARC 0296C, IAB 8/22/12), IAB 12/12/12, effective 11/19/12]

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