

Overview

Section 215(b) of National Affordable Housing Act requires that the initial purchase price or after-rehabilitation value of homeownership units assisted with HOME funds not exceed 95 percent of the area median purchase price for single-family housing, as determined by HUD. Historically, HOME used the FHA Single Family Mortgage Limit (known as the 203(b) limits) as a surrogate for 95 percent of area median purchase price. However, statutory changes require the 203(b) limits to be set at 125 percent of area median purchase price. Consequently, IHFA can no longer use the 203(b) limits as the HOME Program homeownership value limits (i.e., initial purchase price or after rehabilitation value). Section 92.254(a)(2)(iii) of the HOME Final Rule published on July 24, 2013, established new homeownership value limits for HOME Participating Jurisdictions (IHFA). This new Rule was effective August 23, 2013.

HOME Maximum Sales Price Limits are established by HUD-Division of Community Planning and Development, and are updated annually. There are different limits for existing housing and new construction housing (certificate of occupancy issued within the previous 12 months). The limits are listed according to the number of units in the structure, i.e. single unit, duplex, triplex, or fourplex.

HOME

The current Maximum Sales Price limits (when homes are sold to low-income homebuyers) are available on the IHFA website HOME page at <https://www.idahohousing.com/federal-programs/home-program>

For additional information contact KimberlyD@IHFA.org

NSP

(NSP)-Assisted property must be sold to an NSP-eligible homebuyer at a price that is the lesser of:

1. Fair market value, or
2. The total cost to acquire and develop the unit. This helps ensure the price the homebuyer pays for an abandoned or foreclosed unit after rehabilitation/ redevelopment is affordable and reasonable, given what was invested in the unit.
3. NSP prohibits IHFA or the owner-developer from making a profit on the final sale of the property.

HOME & NSP

When a property is assisted with both HOME and NSP funds, the sales price of the unit to the homebuyer cannot exceed

1. HOME maximum Sales Price Limit and
2. The total cost to acquire and develop the unit