

# Reducing Regulatory Barriers in Federal Housing Programs: Recommendations

NCSHA's full recommendations are available on [our website](#).

BURDEN / BARRIER	IMPACT(S)	SOLUTION	AGENCY RESPONSIBLE
IRS' recent 50 percent increase in the state agency site visit responsibilities under the Low Income Housing Tax Credit (Housing Credit) program.	Fewer state funds for housing; higher fees on builders and owners; less oversight of older, needier properties — all with disproportionate harm to rural states.	Rescind the February 26, 2019, rule regarding CFR 26 Part 1 and issue a new rule with full opportunity for public comment.	IRS, Passthroughs and Special Industries/Treasury, Office of Tax Policy
Treasury's delays in responding to state findings that some Housing Credit property foreclosures are "planned" to terminate statutory affordability requirements.	Premature loss of affordable housing units with much higher replacement costs.	Empower states to determine when foreclosures may result in the termination of existing affordability requirements.	Treasury
Treasury and HUD termination of the HUD – Federal Financing Bank (FFB) initiative for the HUD – HFA Risk-Share Program.	Higher costs and longer approval times for affordable apartment transactions; fewer financing options for smaller and rural properties; lost revenue for the federal government.	Reinstate the HUD – FFB 542(c) Risk-Share Program.	HUD, Office of Housing/Treasury, Federal Financing Bank
HUD rule requiring states and localities to repay the full amount of HOME and Housing Trust Fund funds they awarded if, at any time during the affordability period, a development falls out of compliance with program rules.	Loss of appropriated funds that otherwise could be used for housing; disincentive to fund permanent supportive housing and other projects with higher perceived risks.	Revise 24 CFR 92.252(e) and 24 CFR 93.403 to prorate the state/local repayment obligation based on how long a property has complied with program rules.	HUD, Office of Community Planning and Development
Certain HUD rules regarding the requirements for Community Housing Development Organizations (CHDOs).	Smaller pools of eligible nonprofits in states and localities; loss of appropriated funds if CHDO projects are not identified.	Revise 24 CFR 92.300 to simplify CHDO designation requirements.	HUD, Office of Community Planning and Development
Certain HUD rules regarding the Housing Trust Fund (HTF) program.	Wasted time and delayed approvals of HTF investments by state agencies administering the program.	Revise 24 CFR 93.100 and 93.302(d) to align program allocation requirements with those of the Housing Credit and HOME.	HUD, Office of Community Planning and Development
HUD FHA "face-to-face" meeting requirement.	Significant added costs on lenders and other FHA financing partners, with no real benefit to borrowers; HUD found the rule to be "obsolete" in 2007.	Mitigate the burden and costs associated with 24 CFR 203.604, such as through uses of technology, or eliminate it entirely.	HUD, Office of Housing
Certain HUD rules related to the Section 811 Project Rental Assistance Program.	Owners are unwilling to participate in the program; difficulty in identifying eligible and available properties.	Remove regulations ill-fitted for rental assistance programs (FY 2019 NOFA: FR-6300 N-53). Align Section 811 PRA with the requirements of more substantial financing sources in the properties where it is used.	HUD, Office of Housing