

Affordability Periods

- ◆ For homebuyer and rental projects, the length of the affordability period depends on the amount of the HOME investment in the property and the nature of the activity funded. The table below provides the affordability periods.

HOME Investment per Unit	Length of the Affordability Period
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years
New construction of <i>rental</i> housing	20 years
Refinancing of <i>rental</i> housing	15 years

- ◆ The Final Rule eliminated the requirement that when HOME funds are used in conjunction with Federal Housing Administration (FHA) insurance, the affordability period be the term of the FHA-insured mortgage.

Occupancy

- ◆ Throughout the affordability period, the HOME-assisted housing must be occupied by income-eligible households.
 - **Rental housing:** When units become vacant during the affordability period, subsequent tenants must be income-eligible and must be charged the applicable HOME rent.
 - **Homebuyer assistance:** If a home purchased with HOME assistance is sold during the affordability period, resale or recapture provisions apply to ensure the continued provision of affordable homeownership. (See Chapter 5: Homebuyer Activities for more information.)

APPLICABILITY OF OTHER FEDERAL REQUIREMENTS

- ◆ HOME is subject to a number of cross-cutting Federal regulations, which are detailed in Chapter 10 and highlighted as applicable in the chapters covering homeowner rehabilitation, homebuyer and rental housing activities.