

# 2026 HOME APPLICATION WORKSHOP

## Homeownership Development Round

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**THDA COMMUNITY PROGRAMS DIVISION**

**June 11, 2026 WebEx Virtual Meeting**

# 2026 HOME Homeownership

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## Allocation

- Up to 20% of THDA's 2026 HOME Allocation
- \$250,000 Min; \$1,000,000 Max
- Up to 7% for Operating Expense Assistance; 8% Development Fee
- ❖ **Encouraged** for expenses for direct costs to operate the HOME program
- ❖ **Cannot** charge indirect costs unless it has a cost allocation plan approved by its cognizant agency

## 2026 Application Dates

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- Application Round opens on June 15, 2026
- Applications due by 4:00 PM (CST)  
July 30, 2026
- Successful applicants will be notified on or around  
September 1, 2026
- 2026 Homeownership Development Round Reservation  
of Funds will be effective October 1, 2026 through  
September 30, 2029

# Applications Submittal - PIMS

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- **ALL applications and supporting documentation must be submitted through THDA's online PIMS and GMS systems.**
- Participant Information Management System (PIMS)
  - On-line tool for Nonprofits to Submit Required Documentation
- CHDO's will need to upload all information specifically requested in PIMS directly into PIMS and not into GMS with the application
- For documents required in PIMS, THDA will not accept by any other means.

# Eligible Activities

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- **As the owners and developer, Grantee must develop single units of single-family housing for homeownership.**
  - ❖ New Construction
  - ❖ Acquisition/Rehabilitation

- **Soft Second Mortgage**

- ❖ The CHDO must leave the following DPA Assistance based on THDA's underwriting tool to make the house purchase affordable to the buyer:

<b>Soft Second Mortgage</b>	<b>Affordability Period</b>	<b>Annual Recapture Reduction Per Year of Occupancy</b>
<b>\$1,000 - \$14,999</b>	<b>5 Years</b>	<b>20%</b>
<b>\$15,000 - \$39,999</b>	<b>10 Years</b>	<b>10%</b>

## Soft Second Mortgages/DPA

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- All grant recipients must use the THDA Single-Family underwriting template to determine the amount of direct HOME assistance
- THDA must review and approve the determination of the level of assistance
- If the underwriting template indicates that the home buyer does not have an unmet need for the assistance, the grantee does not have a viable HOME-assisted homeownership project
- Underwriting. Front and back-end ratios may not exceed 33% and 43% respectively. Lower ratios are encouraged where possible.

## Soft Second Mortgages/DPA

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- Soft second mortgages/DPA are forgiven at the end of five (5) or ten (10) years if the unit remains the permanent residence of the initial buyer and is not leased or vacated
- If the unit remains in compliance, but is sold during the affordability period, the amount of HOME funds subject to recapture can be reduced by 20% (5yr) or 10% (10yr) per year.
- **Recaptured funds must be repaid to THDA**

# Application Threshold Criteria

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- Submission of a COMPLETE application
  - Application is properly submitted
  - Application has all required documentation and attachments
  - **All PIMS Required documents have been uploaded to PIMS**
  - Must be signed by the Executive Director or Equal
- Proposal of an eligible activity
- Proposal of a project that is physically, financially and administratively feasible

## Threshold Criteria

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- Proposed program meets the requirements of the **HOME Final Rule at 24 CFR Part 92, as amended**
- Incomplete or late applications will not be considered
- Carefully review the application before you submit it
- THDA staff will not contact you for missing documentation during the application process

# Subsidy Limits

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## Minimum Subsidy Dollars - \$1,000 Per Unit

### Maximum HOME Dollars (effective May 11, 2026)

0 Bedroom (Efficiency) Limit	\$187,658 Per Unit
1 Bedroom Limit	\$215,122 Per Unit
2 Bedroom Limit	\$261,595 Per Unit
3 Bedroom Limit	\$338,419 Per Unit
4 Bedroom Limit	\$371,477 Per Unit

Subsidy Limits are published annually by HUD. THDA has set the subsidy limits at 130% of HUDs base subsidy limit rate.

# Income Limits

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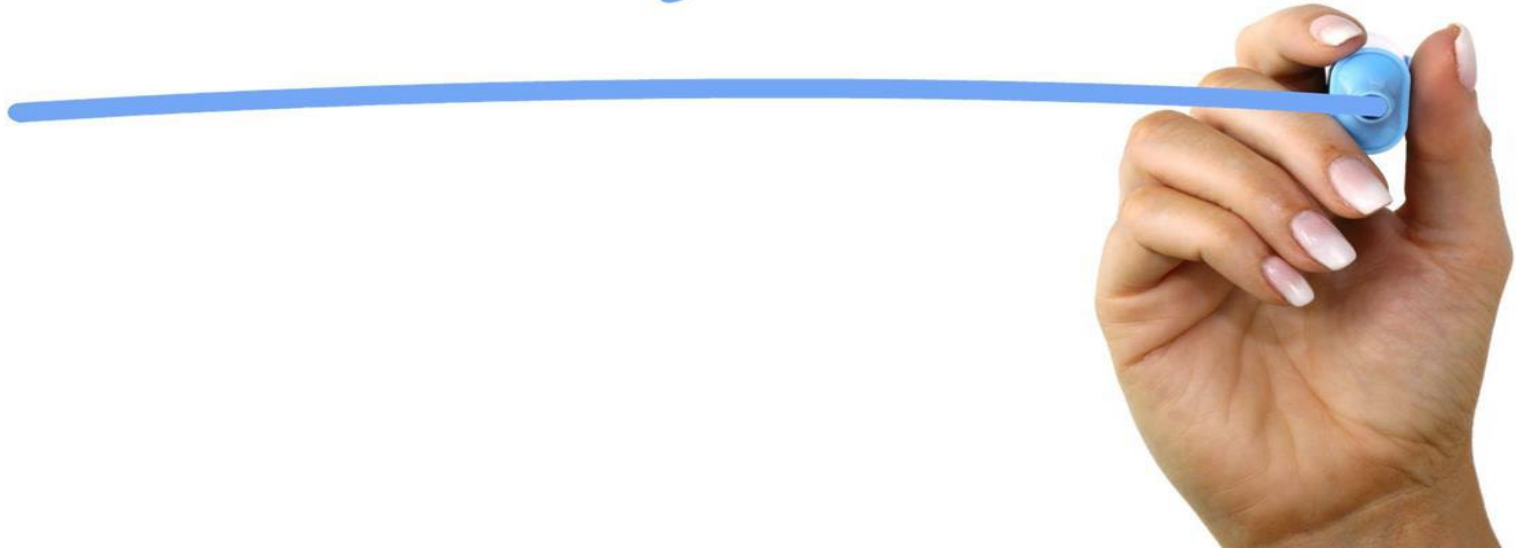
- HOME funds may only be used to assist:
  - Households with gross annual income at or below 80% of area median income, adjusted for family size
  - Income limits are updated annually by HUD

# Conflict of Interest

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- Applies to qualified applicants and sale of the home
- Applies to the procurement of property and services including construction services and materials
- The new HOME regulations have been revised to clarify that the covered conflict involves:
  - a financial benefit or interest; and
  - covered familial relationships are limited to immediate family members

# ELIGIBLE



## 2026 HOME HOMEOWNERSHIP Application

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## Eligible CHDO Applicants

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- 501(c)(3) Non-Profit organizations
- 501(c)(4) Non-Profit organizations
  - 501(c) designations must demonstrate proof from the IRS of the status or designation
- All Applicants must meet **ALL** CHDO requirements as published at the time of application.

## Eligible CHDO Applicants Must:

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- Meet low-income the requirements for a non-profit organization AND:
  - Be independent
  - Not be a governmental entity
  - Have a defined service area that does not include all of Tennessee
  - **Maintain accountability to low-income community residents**
  - **Have paid staff with housing development experience**
  - **Have a history of serving the community in which the HOME project is to be located**

## Eligible Non-Profit CHDO Applicants

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- All private, non-profit CHDO organizations must be:
- Organized and existing in the State of Tennessee (as evidenced by a Certificate of Existence from the Tennessee Secretary of State, dated no more than **thirty (30)** days prior to the application date)
- Or
- Be organized and existing under the laws of another state and be qualified to do business in Tennessee (as evidenced by a Certificate of Existence from the other state's Secretary of State dated no more than **thirty (30) days** prior to the application date and by a Certificate of Authorization to do business in Tennessee from the Tennessee Secretary of State, dated no more than **thirty (30) days** prior to the application date)

# Non-Profit Checklist/CHDO Designation

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- List of organization's staff and experience
  - Copy of business plan or strategic management plan
  - Documentation of operating funds and amounts
  - Explanation of other programs operated by the agency
  - One page explanation of the organization's experience in housing, particularly for low and very low income
- **Individual Disclosure Form**
- **Corporate Disclosure Form**

# Non-Profit Checklist/CHDO Designation

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- Certificate of Existence dated within 30 days of application
- Copy of 501(c)(3) or (c)(4) letter from IRS
- Copy of Charter and By-Laws
- Resolution authorizing submission of HOME application
- CHDO Board Composition
  - **CHDOs must indicate and document the low-income Board members**

# Non-Profit Checklist/CHDO Designation

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- Copy of most recent Board minutes
- One page explanation of how Board is involved in the operation of the non-profit

# CHDO Checklist & Designation

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- **CHDO Organizational Requirements**
  - CHDO legal structure
  - CHDO independence
  - CHDO accountability to its Low-Income Community
  - CHDO Capacity
  - CHDO Role as Developer of home buyer projects
  - CHDO Operating Expenses
  - CHDO Certification
  - Signed by CHDO's Executive Director

## CHDO Commitment

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- CHDO commitments must meet the 24-month deadline *by program year* and not on a cumulative basis
  - 50% of the funds by September 30, 2027;
  - 75% of the funds by March 31, 2028;
  - 100% of the funds by September 30, 2028.
  - **HUD may recapture any CHDO funds not committed to specific CHDO activities by the deadlines. Funds will be lost to Tennessee!**

# Federal Requirements

# Equal Opportunity & Fair Housing

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- No individual can be excluded from participation in the HOME Program on the basis of:
  - Race
  - Color
  - Religion
  - Sex
  - Familial Status
  - National Origin
  - Disability

# Environmental Review

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- HOME funds cannot be committed to a project **prior to the completion of the environmental review**
  
- The applicability of the environmental review is **based on the project as a whole** and not the type of costs paid with HOME funds
  - **No commitment of non-federal funds** in the project before completion of the environmental review

## Relocation (URA)

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- Contact THDA prior to submitting a HOME application if individuals may be displaced or relocated due to your program
- Relocation has the potential for significant financial impact on a project

# Site and Neighborhood Standards

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- Promote a greater choice in housing opportunities
- Ensure that the proposed activity does not allow or promote segregation on the basis of race, disability or income
- A Site and Neighborhood Standards Review will be required for each potential site

# Affirmative Marketing

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- Applies to all homeownership programs of five or more units
- Grantees must adopt procedures to provide information and otherwise attract eligible persons in the housing market to the available housing without regard to race, color, religion, sex, familial status, national origin or disability

# Procurement

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- All Procurement subject to CFR 200.318
- Open and competitive solicitation by non-profit agencies applies to:
  - Goods and services
  - Professional service contracts
- Generally, obtain a minimum of two (2) bids
- Have written procedures for selecting the successful bid

# Neighborhood Market Study

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- All applicants proposing homebuyer programs must demonstrate a market demand for the project
  - This may include a formal or informal neighborhood market study
- Be honest in the conclusions the study demonstrates
  - There may not be a demand for the project
  - There are long term consequences to building a project that does not sell within (12) months of completion

# Draw Down Requirements

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**Applicants with open grants under the HOME Homeownership programs must have expended or submitted a draw requests to THDA by June 15, 2026, for the percentage of grant funds specified below per grant year:**

HOME Grant Year	Commitment Requirement	Spend -Down Requirement
2020 – 2023	100%	100%
2024	100%	75%
2025	Not Eligible	Not Eligible

In addition, all applicants must be in material compliance with **ALL** other THDA programs in which they participate

## Project Soft Costs

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- Costs for lead-based paint inspections, risk assessments and clearance testing, for acquisition and/or rehab.
- Architectural and engineering fees
- **All project soft costs count toward the HUD maximum per unit subsidy limit**

## Developer Fees

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- A developer may request an eight (8%) percent developer fee if the grantee is acting as a developer of housing
  - The Developer Fee is 8% of the HOME funds used to construct or acquire and rehabilitate the unit for homeownership
  - The Developer Fee is a project soft cost and counts against the **maximum per unit subsidy limit**
  - The Developer Fee must be drawn on a project-by-project basis from these grant funds.

## CHDO Proceeds

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- CHDO proceeds are the HOME funds returned to the CHDO upon the sale of a unit developed by the CHDO from the buyer's permanent financing
- The CHDO must use its proceeds to develop additional units for homeownership
- Once CHDO proceeds are used a second time to develop more housing for homeownership, the HOME restrictions on the use of CHDO proceeds are eliminated

# Universal Design/Visitability

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- The inclusion of features that allow individuals with physical disabilities to reside in or to visit housing that is constructed or rehabilitated with federal funds
- Universal design allows housing to be adapted to the individuals current or future needs
- Visitability allows individuals who have trouble with steps or use wheelchairs or walkers to live in or visit the unit

# Universal Design Features Encouraged

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- Step-less entrances
- Minimum 5' x 5' level clear space inside and outside entry door
- Broad blocking in walls around toilet, tub and shower for future placement of grab bars
- Full-extension, pull-out drawer, shelves and racks in base cabinets in kitchen
- Front mounted controls on all appliances
- Lever door handles
- Loop handle pulls on drawers and cabinet doors

# Visitability Features

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- One zero step entrance
- Doors with 32 inches of clear passage space
- One bathroom on the main floor that is accessible to a person using a wheelchair

# Property Standards

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- The new HOME rule made significant changes in 92 CFR §92.251 (Property Standards)
  - HUD is to provide additional guidance on the new Nvision Standards for the HOME program. In the interim, THDA continues to enforce (UPCS)

# Property Standards

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- For Acquisition and Rehabilitation THDA has developed written rehabilitation standards that must be met for all HOME-assisted rehabilitation projects
  - THDA Design Standards for Rehabilitation of Housing

# Property Standards

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- For new construction programs, the HOME-assisted single-family unit must, at project completion:
  - Conform to THDA Design Standards for New Construction of Single-Family and Multi-Family Housing Units; and
  - Meet all local and State codes, rehabilitation standards, UPCS, and zoning ordinances, requirements; or
  - Absent such codes, meet the current, State-adopted edition of the International Residential Code for One- and Two-Family Dwellings

# Property Standards

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- New construction must also:
  - Meet accessibility requirements
  - Mitigate disaster impact
  - Meet the State-adopted edition of the International Energy Code
  - Meet Energy Star qualifications or achieve a HERS index of 85 or less when tested by a certified rater

# Rehabilitation and Lead-Based Paint

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- All units built pre-1978 will require a risk assessment by a certified lead inspector
  - If the rehabilitation costs are less than \$25,000, then standard treatments apply
  - If the rehabilitation costs are greater than \$25,000, then abatement is required

# Rehabilitation and Lead-Based Paint

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- ABATEMENT
  - Requires a certified lead abatement contractor
  - Certified lead abatement contractors can be found on the TDEC website under the Division of Solid Waste Management:
    - <http://tn.gov/environment/article/sw-lead-hazard-program.html>

# Application Evaluation

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# Scoring Threshold

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- A minimum point threshold that applications must receive in order to be considered for funding.
  - To be eligible, an application must meet all threshold requirements and receive a minimum score equal to **60 Points** under the applicable scoring matrix.

## Scoring Matrix– Up to 120 Points

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### ➤ Capability – Up to 60 Points

- **Program Design and Planning – Up to 30 Points**
  - Sites identified and applicant has site control
  - Applicant has an existing pipeline of potential home buyers ready to purchase or working toward readiness to purchase
    - ❖ **Commitment must be to a specific address and home buyer to meet HUD’s 24-month commitment deadline**

# Scoring Matrix

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- Neighborhood study demonstrates a market for the project
- CHDO has capacity to secure other funding for the project

# Scoring Matrix

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- **Organizational Capacity – Up to 30 Pts**
  - Has produced successful affordable housing projects of similar size, scope and complexity
  - Has demonstrated capacity to manage home buyer programs
  - Budget reflects multiple sources of funding
  - Able to follow Implementation Plan of prior HOME grants

## Scoring Matrix

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- Able to draw down HOME funds in a timely manner
- Able to complete projects within contract term
- Has lack of monitoring findings
- Responds to client concerns and THDA staff

## Scoring Matrix

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- **Service Area not in a PJ** **5 Pts**
- **Public Private Partnership** **10 Pts**
- **Match** **Up to 15 Pts**
- **Leverage** **Up to 10 Pts**
  - Points awarded based on the % of other funding in the project

## Scoring Matrix

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- **Energy Conservation** **Up to 10 Pts**
- **Universal Design** **Up to 10 Pts**
- **Prior Unexpended Funds Deductions** **Up to -5 Pts**

## Internet Availability

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- The Program Description, Application Presentation are available on the THDA website at <https://thda.org/government-nonprofit-partners/home-program>
- The application is an electronic application delivered in THDA's GMS system
- CHDO organizations **MUST** upload basic organizational documentation to PIMS

# Application Deadline

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**July 30, 2026**

**4:00 PM CST**

You will not be able to submit your application into  
GMS after the deadline and no other application  
delivery method will be accepted

# Contact THDA

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- Community Programs staff can answer your questions about the HOME application anytime prior to the July 30, 2026 submission deadline
  
- Craig Stevens: 615-815-2035
- Monica Rutherford: 615-815-2105
- Harriet Nolen-Bonds: 615-815-2044
- Wayne Bennett (Construction Questions) : 615-815-2033
- Nathan Ward (Federal Compliance Questions) : 615-815-2042
- Aaron Toran: 615-815-2037

Call us or schedule a meeting!

# Questions