

**PROGRAM:** HUD HOME Program

**AGENCY:** New Mexico Mortgage Finance Authority (MFA)

**DESCRIPTION:** The objective of the HOME Program is to expand the supply of decent and affordable housing for low- and very low-income residents. HOME is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended. Program regulations are at 24 CFR Part 92.

**ELIGIBILITY:**

- Participating jurisdictions may choose among a broad range of eligible activities, using HOME funds to provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; build or rehabilitate housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses.
- PJs may use HOME funds to provide tenant-based rental assistance contracts of up to 2 years if such activity is consistent with their Consolidated Plan and justified under local market conditions. This assistance may be renewed. Up to 10 percent of the PJ's annual allocation may be used for program planning and administration.
- Program funds may be used for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits.
- States are automatically eligible for HOME funds and receive either their formula allocation or \$3 million, whichever is greater. Local jurisdictions eligible for at least \$500,000 under the formula (\$335,000 in years when Congress appropriates less than \$1.5 billion) can receive an allocation.
- For rental housing and rental assistance, at least 90 percent of benefiting families must have incomes that are no more than 60 percent of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median. The incomes of households receiving HUD assistance must not exceed 80 percent of the area median.

**PROGRAM/LOAN STRUCTURE:**

- Maximum Program Benefits: HOME provides assistance in the form of grants, deferred loans and low interest loans. The minimum amount of funding per unit is \$1,000.
- Maturities: Dependent on the type of funding provided.
- Rates: Dependent on the type of funding provided.

**QUALIFICATION CRITERIA/COMMENTS:**

- HOME uses the Department of Housing and Urban Development definition of low- and very low income.
- HOME's requires that participating jurisdictions (PJs) match 25 cents of every dollar in program funds.
- The match requirement may be reduced if the PJ is distressed or has suffered a Presidentially declared disaster. In addition, PJs must reserve at least 15 percent of their allocations to fund housing to be owned, developed, or sponsored by experienced, community-driven nonprofit groups designated as Community Housing Development Organizations (CHDOs).
- For more information, visit <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/> , the homepage at [www.hud.gov](http://www.hud.gov) or call the federal office (202) 708-1112