

Dear NAHMA Members –

Below, please find two recent policy updates from HUD’s Office of Multifamily Housing on their **LIHTC Pilot Program** and **Guidance on Foreign National Participation in FHA-insured Multifamily** programs.

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### **Low-Income Housing Tax Credit (LIHTC) pilot program**

HUD’s Office of Multifamily Housing Programs published a Housing Notice and related Mortgagee Letter today that expand the use of the Low-Income Housing Tax Credit (LIHTC) pilot program into New Construction and Substantial Rehabilitation loan products under Sections 221(d)(4) and 220.

The expanded pilot program will ensure faster and more efficient processing for low-risk, LIHTC transactions by eliminating redundant reviews. Average processing time for LIHTC deals is currently 90 days. Under FHA’s pilot, processing times are reduced to 30 days under the Expedited Approval Process track and 60 days under the Standard Approval Process track. A shorter application review period allows borrowers to lock in better interest rates sooner, an important capability in a rising interest rate environment.

Today’s action further aligns FHA’s policies and underwriting towards supporting affordable housing production and preservation. FHA multifamily transactions that include Low-Income Housing Tax Credits account for approximately 30 percent of FHA’s total multifamily volume. By aligning FHA’s Section 221(d) and Section 220 programs with LIHTC Program, it’s expected FHA will support more production and preservation of critically needed affordable multifamily housing.

The **Housing Notice** is available [here](#) and the **Mortgagee Letter** [here](#).

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### **Guidance for Foreign National Participation in FHA-Insured Multifamily Programs**

The Mortgagee Letter with Guidance for Foreign National Participation in FHA-Insured Multifamily Programs was published on Friday, February 15th and is available [here](#).

Please direct any questions to [Wendy Carter](#).

Best,  
Larry

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***NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing.***