



NHTF • The National Housing Trust Fund

Ineligible Activities

The National Housing Trust Fund (NHTF) law lists ways that NHTF money cannot be used, including: outreach, advocacy, counseling (except for housing counseling), or travel or administrative expenses (except as allowed as general administration of the NHTF program – see separate paper, “How Can the Money Be Used: General?” for details).

The statute also lists some obvious ways that NHTF money cannot be used, including: lobbying, preparing or providing advice on tax returns, and political activities such as influencing the selection, nomination, election, or appointment of candidates for elected office.

§1338(c)(1)(D) statute
§93.204(a)(4) and (5) regulations

The NHTF law also prohibits this money from being used for any activity associated with property taken by eminent domain, unless for a public use. The law specifies that an economic development activity that primarily benefits a private entity is not considered a public use. Eminent domain is the power of government to take private property for public uses such as for highways, airports, etc.

§1337(f)
§93.255

HUD’s interim rule includes additional ways in which NHTF dollars may not be used.

NHTF may not be used to buy property owned by the state or any local subgrantee.

§93.204(a)(2)

Public Housing

- Public housing may not receive NHTF assistance, except public housing converting under the Rental Assistance Demonstration, participating in the Choice Neighborhoods Initiative, or is part of a mixed-finance development receiving Low Income Housing Tax Credits.
(see separate article, “Public Housing and NHTF.”)
- A project may have both NHTF-assisted units and public housing units.
- NHTF-assisted housing may not receive public housing operating assistance.

§93.203

Previously Assisted Projects

NHTF money may not be used for a project previously assisted with NHTF during the years the housing must be affordable to an income-eligible household (a minimum of 30 years).

- However, additional NHTF money may be used for a NHTF-assisted property during the first year after project completion.
- Also, operating cost assistance and operating cost assistance reserves may be renewed during the affordability period.

§93.204(a)(1)

Fees

NHTF may not be used to pay delinquent taxes or fees.

§93.204(a)(3)

Local subgrantees and owners may not charge origination fees, servicing fees, or other fees for the cost of administering the NHTF.

However, a state or local subgrantee may charge owners of rental properties fees for monitoring compliance during the affordability period.

§93.204(b)(1)
§93.404(c)(2)(xii)

Nominal application fees are allowed to discourage frivolous applications, as long as they don't create an undue barrier to extremely low income households.

§93.204(b)(2)

States and local subgrantees may charge homebuyers for the required housing counseling.

§93.404(c)(1)(xiv)(C)

Owners of rental properties must not charge fees that are not customarily charged, such as laundry room fees.

However, owners may charge reasonable application fees, parking fees (if customary), and fees for voluntary services such as transportation and meals.

§93.204(b)(4)
§93.404(c)(2)(xii)