

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
TDHCA Governing Board Approved Draft of  
10 Texas Administrative Code §10.625 Events of Noncompliance

**Disclaimer**

Attached is a proposed rule action for amendment to 10 TAC Chapter 10 Uniform Multifamily Rules, Subchapter F Compliance Monitoring, §10.625 Events of Noncompliance. This action was approved by the TDHCA Governing Board on May 7, 2026. This rule action, including its preamble, is expected to be published in the May 22, 2026, edition of the *Texas Register* and that published version will constitute the official version for purposes of public comment and can be found at the following link: <https://www.sos.texas.gov/texreg/index.shtml>.

In compliance with §2001.023, Texas Government Code, a summary of the proposed action follows:

There are two sections of the Compliance Monitoring rule, §10.612 Tenant File Requirements and new §10.628 Verification of Occupant Legal Status for HOME, HOME ARP and NHTF Developments that were adopted by the Board at the April 9, 2026 Board meeting. To ensure the new compliance monitoring requirements can be enforced it is necessary to make several additions to the list of Events of Noncompliance found in 10 TAC §10.625. The amendment is needed to ensure cohesiveness with the rule and the list of noncompliance events.

**Public Comment**

**Public Comment Period:** Start: 8:00 a.m. Austin local time on May 22, 2026  
End: 5:00 p.m. Austin local time on June 22, 2026

Comments received after 5:00 p.m. Austin local time on June 22, 2026, will not be accepted. Written comments may be submitted electronically within the designated public comment period to: [brooke.boston@tdhca.state.tx.us](mailto:brooke.boston@tdhca.state.tx.us).

Those making public comment are encouraged to reference the specific draft rule, policy, or plan related to their comment as well as a specific reference or cite associated with each comment. Please be aware that all comments submitted to the TDHCA will be considered public information.

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Departamento de Vivienda y Asuntos Comunitarios de Texas

Borrador aprobado por la Junta Directiva del TDHCA

de la sección [§] 10.625 [“Casos de incumplimiento”] del título 10 del Código Administrativo de Texas (TAC)

### **Descargo de responsabilidad**

Se adjunta una acción reglamentaria propuesta para una modificación a la sección [§] 10.625 [“Casos de incumplimiento”] del subcapítulo F [“Supervisión de cumplimiento”] del capítulo 10 [“Reglas para viviendas multifamiliares uniformes”] del título 10 del Código Administrativo de Texas (TAC). Esta acción recibió aprobación por parte de la Junta Directiva del Departamento de Vivienda y Asuntos Comunitarios de Texas (TDHCA) el 7 de mayo de 2026. Se espera que esta acción reglamentaria, incluyendo su preámbulo, se publique en la edición del *Texas Register* del 22 de mayo de 2026. Esa versión publicada constituirá la versión oficial para fines de comentarios públicos y se puede encontrar en el siguiente enlace: <https://www.sos.texas.gov/texreg/index.shtml>.

De conformidad con la sección [§] 2001.023 del Código de Gobierno de Texas, se incluye a continuación un resumen de la regla propuesta:

La regla de supervisión de cumplimiento consta de dos secciones: la sección [§] 10.612 [“Requisitos de expedientes de inquilinos”] y la sección [§] 10.628 [“Verificación de la condición jurídica de ocupantes”]. Se aplican a urbanizaciones amparadas por los programas HOME, HOME ARP y NHTF y se aprobaron por parte de la Junta Directiva en su reunión del 9 de abril de 2026. Para garantizar que se puedan aplicar los nuevos requisitos de supervisión de cumplimiento, es necesario añadir varios elementos a la lista de casos de incumplimiento que figura en la sección [§] 10.625 [“Casos de incumplimiento”] del título 10 del Código Administrativo de Texas (TAC). La modificación es necesaria para garantizar la coherencia con la regla y con la lista de casos de incumplimiento.

### **Comentarios del público**

**Periodo de comentarios del público:** Inicio: 8:00 a. m., hora local de Austin, del 22 de mayo de 2026

Finalización: 5:00 p. m., hora local de Austin, del 22 de junio de 2026

No se aceptarán los comentarios que se reciban después de las 5:00 p. m., hora local de Austin, del 22 de junio de 2026. Los comentarios por escrito pueden enviarse de manera electrónica dentro del período designado de comentarios del público a [brooke.boston@tdhca.state.tx.us](mailto:brooke.boston@tdhca.state.tx.us).

Se anima a quienes formulen comentarios públicos a que hagan referencia al borrador de la regla, política o plan específico relacionado con su comentario, así como una referencia o cita específica asociada a cada comentario. Tenga en cuenta que todos los comentarios enviados al TDHCA se considerarán información pública.

### **DEPARTAMENTO DE VIVIENDA Y ASUNTOS COMUNITARIOS DE TEXAS**

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**Attachment 1: Preamble, including required analysis, for proposed amendment to 10 TAC Chapter 10,  
Uniform Multifamily Rules, Subchapter F Compliance Monitoring, Figure §10.625 Events of  
Noncompliance**

The Texas Department of Housing and Community Affairs (the Department) proposes amendments to 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F Compliance Monitoring, §10.625 Events of Noncompliance. The purpose of the proposed amendment is to update the list of Events of Noncompliance to align with updated rule sections §10.612 Tenant File Requirements and new §10.628 Verification of Occupant Legal Status for HOME, HOME ARP and NHTF Developments adopted by the Department's Board on April 9, 2026.

FISCAL NOTE. Mr. Bobby Wilkinson, Executive Director, has determined that, for each year of the first five years the amendment to the rule is in effect, enforcing or administering the amendment does not have any foreseeable implications related to costs or revenues of the state or local governments.

The Department has analyzed this proposed rulemaking, and the analysis is described below for each category of analysis performed.

GOVERNMENT GROWTH IMPACT STATEMENT. Mr. Wilkinson also has determined that, for the first five years the amendment would be in effect:

1. The proposed amendment to the rule will not create or eliminate a government program but merely adds several additional categories of events of noncompliance for certain of the Department's multifamily properties;
2. The proposed amendment to the rule will not require a change in the number of employees of the Department;
3. The proposed amendment to the rule will not require additional future legislative appropriations;
4. The proposed amendment to the rule will result in neither an increase nor a decrease in fees paid to the Department;
5. The proposed amendment to the rule will not create a new regulation but does add several new events of noncompliance consistent with other regulatory changes made in sections §10.612 Tenant File Requirements and new §10.628 Verification of Occupant Legal Status for HOME, HOME ARP and NHTF Developments;
6. The proposed amendment to the rule will not repeal an existing regulation;
7. The proposed amendment to the rule will not increase or decrease the number of individuals subject to the rule's applicability; and
8. The proposed amendment to the rule will neither positively nor negatively affect this state's economy.

PUBLIC BENEFIT/COST NOTE. Mr. Wilkinson also has determined that, for each year of the first five years the amendment to the rule is in effect, the public benefit anticipated as a result of the action will be consistency between §10.612 Tenant File Requirements and §10.628 Verification of Occupant Legal Status for HOME, HOME ARP and NHTF Developments and the list of Events of Noncompliance. There will not be any economic cost to any individual required to comply with the amendment.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES. The Department has determined that there will be no economic effect on small or micro-businesses or rural communities.

REQUEST FOR PUBLIC COMMENT. The Department requests comments on the amendment and also requests information related to the cost, benefit, or effect of the amendment, including any applicable data, research, or analysis from any person required to comply with the proposed rule or any other interested person. All comments or questions in response to this action may be submitted in writing from May 22, 2026 to June 22, 2026, to receive input on the proposed action. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Wendy Quackenbush at [wendy.quackenbush@tdhca.texas.gov](mailto:wendy.quackenbush@tdhca.texas.gov) or by mail at P.O. Box 13941, Austin, Texas 78711-3941. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local (Central) time, June 22, 2026.

STATUTORY AUTHORITY. The proposed amendment is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed amendment affects no other code, article, or statute.

§10.625. Events of Noncompliance.

Figure: 10 TAC §10.625 lists events for which a multifamily rental Development may be found to be in noncompliance for compliance monitoring purposes. This list is not an exclusive list of events and issues for which an Owner may be subject to an administrative penalty, debarment or other enforcement action. The first column of the chart identifies the noncompliance event. The second column indicates to which program(s) the noncompliance event applies. The last column indicates whether the issue is reportable on IRS Form 8823 for HTC Developments.

Figure: 10 TAC §10.625

Noncompliance Event	Program(s)	If HTC, on Form 8823?
Violations of the National Standards for the Physical Inspection of Real Estate or Local Codes	All Programs	Yes
Noncompliance related to Affirmative Marketing Requirements	All Programs	No
Development is not available to the general public because of leasing issues	HTC, TCAP, and Exchange	Yes
TDHCA has received notice of possible Fair Housing Act Violation from HUD or DOJ and reported general public use violation in accordance with IRS 8823 Audit Guide Chapter 13	HTC	Yes
TDHCA has referred unresolved Fair Housing Design and Construction issue or other Fair Housing noncompliance to the Texas Workforce Commission	All programs	No
Development has gone through a deed in lieu of foreclosure or foreclosure	All programs	Yes
Development is never expected to comply due to failure to report or allow monitoring	All programs	Yes
Owner did not allow on-site monitoring or physical inspection and/or failed to notify residents resulting in inspection cancelation	All programs	Yes
LURA not in effect	All programs	Yes
Project failed to meet minimum set aside	HTC, TCAP, Exchange and Bonds	Yes
No evidence of, or failure to certify to material participation of a non-profit or HUB, if required by LURA	HTC, TCAP and Exchange	Yes, if non-profit issue, No, if HUB issue

Development failed to meet additional state required rent and occupancy restrictions	All programs	No
Noncompliance with social service requirements	All programs	No
Development failed to provide housing to the elderly as promised at application	All programs	No
Failure to provide special needs housing as required by LURA	All programs	No
Changes in Eligible Basis or Applicable percentage	HTC, TCAP, and Exchange	Yes
Failure to submit all or parts of the Annual Owner's Compliance Report	All programs	Yes for part A, No for other parts
Failure to submit reports or notices as required by §10.607 of this subchapter	All programs	No
Noncompliance with utility allowance requirements described in §10.614 of this subchapter and/or Treasury Regulation §1.42-10	All programs	Yes, if rent exceeds limit, no if related to noncompliance with other requirements, such as posting, updating etc.
Noncompliance with lease requirements described in §10.613 and/or §10.624 of this subchapter	All programs	No
Asset Management Division has reported that Development has failed to establish and maintain a reserve account in accordance with §10.404 of this Chapter	All programs	No
Failure to provide a notary public as promised at application	HTC, TCAP, and Exchange	No
Violation of the Unit Vacancy Rule	HTC, TCAP, and Exchange	Yes
Casualty Loss	All programs	Yes
Failure to provide monitoring and/or physical inspection documentation	All programs	No
Failure to provide amenity as required by LURA	All programs	No

Failure to pay asset management, compliance monitoring or other required fee	HTC, TCAP, ERA, Bond, NHTF, TCAP-RF, Exchange, HOME-ARP, HOME Match, and HOME/NSP Developments committed funds after August 23, 2013	No
Change in ownership without Department approval (other than removal of a general partner in accordance with §10.406 of this chapter)	All programs	No
Noncompliance with written policy and procedure requirements	All programs	No, unless finding is because Owner refused to lease to Section 8 households
Program Unit not leased to Low-Income household/ Household income above income limit upon initial Occupancy	All programs	Yes
Program unit occupied by nonqualified students	HTC, TCAP, and Exchange during the Compliance Period, Bond, HOME, 811 PRA, and HOME-ARP Developments	Yes
Low Income Units used on a transient basis	HTC, TCAP, Exchange and Bond	Yes
Violation of the Available Unit Rule	All programs, but only during the Compliance Period for HTC, TCAP, and Exchange	Yes

Gross rent exceeds the highest rent allowed under the LURA or other deed restriction	All programs	Yes
Failure to provide Tenant Income Certification and documentation	All programs	Yes
Unit not available for rent	All programs	Yes

Failure to collect data required by §10.612	All programs	No
Development evicted or terminated the tenancy of a low-income tenant for other than good cause	HTC, TCAP, Exchange, HOME, HOME- ARP, ERA, HOME Match, TCAP- RF, NHTF, and NSP	Yes
Household income increased above 80 percent at recertification and Owner failed to properly determine rent	HOME, TCAP-RF, HOME Match, ERA, and HOME ARP	No
Violation of the Integrated Housing Rule	All programs	No
Failure to resolve final construction deficiencies within the corrective action period	All programs	No
Noncompliance with the required accessibility requirements such as §504 of the Rehabilitation Act of 1973, the 2010 ADA standards as modified in the Department rules, or other accessibility related requirements of a Department rule, or as reflected in a Contract or LURA	All programs	No
Noncompliance with the notice to the Department requirements described in §10.609 of this subchapter	All programs	No
Failure to reserve Units for Section 811 participants	811 PRA	No
Failure to notify the Department of the availability of units, notices of termination, and outcomes of referred applications as described in accordance with §8.6 of this title.	811 PRA	No
Owner failed to check required criminal history	811 PRA	No
Failure to properly use or document Enterprise Income Verification System as required for 811 PRA	811 PRA	No
Failure to provide or document HUD forms required for Section 811 PRA	811 PRA	No
Failure to report an inoperable elevator within required timeframe	All programs	No
Accepted funding that limits Section 811 participation	811 PRA	No
Failure to document, calculate, or collect income and/or rent as required	811 PRA, HOME ARP	No
Failure to use HUD model lease or HUD Tenant Addendum, as required by the federal program	811 PRA , a Development subject	No

	to the 2025 HOME Final Rule, a Development with Department issued Project-Based Vouchers	
Failure to meet, maintain, or disperse Section 811 units	811 PRA	No
Failure to conduct interim certifications	811 PRA	No
Failure to conduct annual income recertification	811 PRA	No
Asset Management Division has reported that Owner has failed to submit rents on an annual basis in accordance with §10.403 of this chapter	HOME, NSP, TCAP RF, HOME Match, HOME-ARP, and NHTF	No
Failure to document or comply with eligibility requirements for 811 PRA	811 PRA	No
Noncompliance with CHDO Requirements	HOME (inclusive of ROFR Purchases of HOME Developments completed on or after April 30, 2026)	No
Failure to disperse unit designations across all Unit Types – Average Income only	HTC, TCAP and Exchange	No
Household income designations was improperly changed or removed	All programs	No
Failure to maintain the specific unit mix required in the Contract or Land Use Restriction Agreement (LURA)	HOME, HOME-ARP, ERA, HOME Match, 811 PRA, TCAP-RF, HTF, NSP, <u>Section 8 Project Based Vouchers, and</u> NHTF	No
Increased a household's rent more than one time during a 12-month period	All programs	No
Failure to issue a notice of rent increase in accordance with §10.622 of this subchapter	All programs	No
Failure to market to veterans and/or Public Housing Authority (PHA) waitlist as required in the LURA or application	All programs	No
<u>Failure to follow a contractual condition (not otherwise described in 10.625) including but not limited to (as applicable by program) Build America Buy America Act, Uniform Relocation Assistance and Real Property Act, Section 104(d), Davis-Bacon and Related Acts, Violence Against Women Act, Lead-Based Paint, and Conflict of</u>	TCAP, HOME, HOME-ARP, ERA, HOME Match, TCAP- RF, NHTF, 811 PRA, <u>Section 8 Project Based Vouchers, and</u> NSP	No

<u>Interest Provisions</u>		
Failure to include veteran statement in the application	All programs	No
Failure to accept rent that was paid on time and in full	All programs	No
Terminated utilities controlled by the Development Owner during a period prohibited by the applicable federal program or under state law	All programs	No
Failure to calculate, charge, collect, or refund a security or pet deposit as required for 811 PRA	811 PRA	No
A fee or deposit was charged that is impermissible for 811 PRA	811 PRA	No
Failure to issue utility allowance reimbursement in accordance with Section 811 only	811 PRA	No
Failure to provide or document initial or reminder notices for recertification as required for 811 PRA	811 PRA	No
Failure to document or comply with unit inspection file requirements for 811 PRA	811 PRA	No
Failure to conduct move-in or initial certification for 811 PRA	811 PRA	No
Failure to provide or document notice of change in tenant rent or utility reimbursement for 811 PRA	811 PRA	No
Failure to document or comply with move-out requirements for 811 PRA	811 PRA	No
Failure to conduct a transfer, gross rent change, move-out, change in household or Non-interim certification as required for 811 PRA	811 PRA	No
Failure to terminate assistance or tenancy as required for 811 PRA	811 PRA	No

Failure to submit completed IRS Form(s) 8609 with Part II completed by the second monitoring review	HTC, Exchange, and TCAP	No
Failure to provide notice to applicants and households prior to the LURA term ending	All programs	No
Failure to maintain and/or provide evidence of insurance, including but not limited to, builder's risk during construction, property insurance, general liability, fidelity bonds, and flood insurance, as applicable	All programs	No
Failure to timely pay all property taxes, or maintain applicable exemptions to limit property taxes, resulting in a property tax lien and/or property tax suit	HOME, HOME-ARP, ERA, TCAP, TCAP-RF, NHTF, and NSP	No
Failure to display Fair Housing poster as required for 811 PRA	811 PRA	No
Failure to respond to a reasonable accommodation request per 10 TAC §1.204(d)	All programs	No
Failure to document or comply with occupancy requirements for 811 PRA	811 PRA	No
Noncompliance with the Mitigation for Schools requirement of the LURA or application	All programs	No
<u>Failure to obtain supporting documentation of qualified legal status for all persons signing a lease per 10 TAC §10.612</u>	<u>HOME, HOME ARP, and NHTF</u>	<u>No</u>
<u>Failure to obtain the executed attestation required by 10 TAC §10.612(a)(6) for each person signing the lease</u>	<u>HOME, HOME ARP, and NHTF</u>	<u>No</u>
<u>Owner fails to timely sign agreement or Contract Amendment to access the SAVE system as described in 10 TAC §10.628</u>	<u>HOME, HOME ARP, and NHTF</u>	<u>No</u>
<u>Failure to comply with requirements of the SAVE System Agreement</u>	<u>HOME, HOME ARP, and NHTF</u>	<u>No</u>