

January 16, 2026

Pause of Housing Assistance Payment (HAP) Rent Overhang Underwriting for Multifamily Loans Extended Through June 30, 2026

Recognizing the importance of predictability and transparency in the lending process, the current pause on underwriting Housing Assistance Payment (HAP) rent overhang will be extended through June 30, 2026. In June 2025, Virginia Housing announced a pause on underwriting HAP rent overhang in connection with new multifamily loan applications. Since that announcement, Virginia Housing has worked to assess its existing exposure to HAP rents, including those loans underwritten with an “overhang,” which is defined as the amount the HAP rent exceeds the lower of market or LIHTC maximum rents, and explore potential strategies to help address this issue.

This additional time is necessary to develop a pragmatic, long-term underwriting policy. Prudent underwriting standards are critical to Virginia Housing’s ability to raise capital to continue to support our lending program.

Our team remains available to discuss any questions or concerns you may have and to assist you during this pause. Thank you for your continued partnership and understanding. If you have any questions, contact David Glassman at David.Glassman@VirginiaHousing.com.

We believe in the power of home to grow thriving communities across Virginia, and we thank you for being part of our mission.

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