

What is the Process to Request a Waiver to Permit a Nonprofit to Administer Rental Assistance in a Transitional Housing (TH Project)?

On September 18, 2026, HUD published a waiver of 24 CFR 578.51(b) to permit private nonprofit applicants of funds awarded for Transitional Housing (TH) under the FY 2026 CoC NOFO to administer rental assistance. The waiver memo can be found at: [Waiver-for-Nonprofits-to-Administer-Rental-Assistance-for-FY26-CoC-NOFO.pdf](#)

FY2026 NOFO Applicants- if you are applying for a project that will need to waive the restriction on administering rental assistance, you must provide notification to the CPD Director of your HUD Field Office, via email, of your intent to take advantage of the waiver, should your project be selected for conditional award.

You do not need to wait for approval. You should continue with the application process and submit your application. Contact information for CPD field offices are available at: <https://www.hud.gov/contactus/local>.

FY 2026 CoC Program Recipients - Once the competition is over, if you are selected for award and would like to request a waiver, recipients must provide notification to the CPD Director of your HUD Field Office, via email, of your intent to take advantage of the waiver no later than two days prior to using the flexibility. Recipients must complete this step even if they notified HUD of their intent to take advantage of the waiver as a FY 2026 NOFO Applicant. Once again, you do not need to wait for approval from HUD.

Additionally, the recipient or subrecipient must update its program records to include written documentation of the specific conditions that justify the use of this waiver, consistent with the justification provided in the waiver memo.

What does it mean to administer rental assistance?

At a minimum, HUD considers the following activities to be considered administering rental assistance:

- Making income determinations to determine the amount of rent a program participant will pay in accordance with the regulation
- Processing rental payments to landlords
- Conducting rent reasonableness determinations in accordance with 24 CFR 578.51(g)

Additionally, there are costs that HUD has historically considered activities of administering rental assistance and allowed them to be charged to the rental assistance budget line item. However, they are also eligible supportive service costs and could be charged to the supportive services budget line item. These are:

- Conducting housing quality inspections
- Assistance in locating, obtaining, and retaining suitable housing, such as those activities listed at 578.53(e)(8)
- Conducting intake activities, including to determine eligibility for the project

When these activities are charged to the rental assistance budget line item, they are considered costs of administering the rental assistance and must be carried out by (including through a subgrant agreement or a contract) an eligible entity (except that the costs of determining eligibility for the project cannot be contracted out and must be subgranted). If these activities are charged to the supportive services budget line item they are not considered costs of administering rental assistance.

Note: Under the McKinney-Vento Homeless Assistance Act, Tribes and Tribally Designated Housing Entities (TDHEs) are not authorized to administer rental assistance under the CoC Program (§11383(g)) . Similarly, nonprofit organizations are not authorized under the CoC Program interim rule to administer rental assistance in Transitional Housing (TH) projects (24 CFR 578.51(b)). However, for funds awarded in the FY 2026 CoC Program Competition, nonprofits have available a waiver to administer rental assistance. For more information on the waiver see: [Waiver-for-Nonprofits-to-Administer-Rental-Assistance-for-FY26-CoC-NOFO.pdf](#)