



Asset Management Notice

To: All Owners and Managers

Notice # 2026-03

From: Laurie Warzinski, Director of Asset Management

Issued: May 4, 2026

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I. Audited Financial Statements (AFRs) – Clarification on Process

We have begun our reviews of the submitted 2025 financial data and are starting to see several areas requiring follow-up with the auditors for explanations and/or clarifications on what is included in certain line items. This is causing delays in processing and approving distribution of surplus cash.

These line items include:

1. Prepaid Expenses: Prepaid Taxes and Insurance (T&I) need to be broken out from other Prepaid expenses on the balance sheet, as prepaid T&I are not considered in the surplus cash calculation while other prepaid expenses are. Keeping them in this line item is fine as long as there is a note somewhere in the audited financials that distinguishes the amount of prepaid T&I in the prepaid expenses.
2. General Misc. Expense- if this is a large percentage of the overall general expense category (greater than 5% of total general expense), then MaineHousing requires a breakdown of the expenses included in that line item. We are finding many mis-classified expenses.
3. Misc. Administrative Expenses: if this line item represents 5% or more of the overall administrative expenses category, MaineHousing requires a breakdown of what expenses have been included in this line item so we can make sure expenses are being properly categorized.
4. Resident Service Coordinator Expense: This should always be accounted for in its own line item and not combined with general or admin expenses.

As noted in Notice 2024-08, we are following up with the auditors and copying the owner/agent with the hope that we are able to clear up the questions and process these AFRs timely.

Another area of concern is the calculation of what is required as a T&I escrow balance as of the end of the fiscal year. In calculating the T&I escrow required balance, we use the following criteria: you must fund the month if the due date is on or before the 15th of the month. Example: Taxes are due 10/15 and the FYE is 12/31 then you would need to fund 3 months to adequately



fund to the end of the fiscal year. If the due date was 10/16 with FYE 12/31 then you would only need to have funds to cover 2 months.

II. Updated Rent and Income Charts

MaineHousing has updated the Rent and Income Charts on our website to reflect the median family incomes (MFIs) and [Income Limits](#) for Fiscal Year 2026 published by HUD, effective May 1, 2026.

The charts will be updated again when HUD releases the HOME and Housing Trust Fund (HTF) limits.

These updated rent and income charts are found on our website at: [2026 Rent & Income Charts](#)

In addition, the Income and Rent Limits for the Islands Program has been updated, effective May 1, 2026. The updated Island charts are located at: [2026 Island Program Income & Rent Limits](#)

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