

FY 2026 HUD Income Limits: Carolinas Update

What the new AMIs mean for partner properties under S.C. Code § 12-37-220(B)(11)(e) and N.C.G.S. § 105-278.6

May 2026

HUD released the FY 2026 Income Limits on May 1, 2026, a month later than usual, because the Census Bureau delayed the 2024 ACS 5-year data.¹ For partner properties relying on South Carolina's and North Carolina's low-income housing tax exemptions, the new limits reset both the income test and the maximum rent chargeable to qualifying tenants. This update focuses on the counties where the changes are large enough to actually move the needle.

Why this matters for partner properties

The two states' exemptions reach similar places via different mechanics. S.C. Code § 12-37-220(B)(11)(e) requires the property to satisfy the safe harbor provisions of Rev. Proc. 96-32, which in turn uses HUD AMI to define "low income" ($\leq 80\%$) and "very low income" ($\leq 50\%$) and imposes specific unit-mix requirements.² N.C.G.S. § 105-278.6(a)(8) exempts nonprofit-owned property housing individuals or families with "low or moderate income," a phrase the statute leaves undefined, with HUD AMI typically serving as the operative benchmark in practice and in the covenants on file with each property.³ When the AMIs reset, both compliance bases move. Where AMIs rose, the eligible-applicant pool expands and rent ceilings climb; where they fell, new applicants must be screened against the lower thresholds, and rents at recertification cannot exceed the new ceiling. **Either direction requires action.**

South Carolina

Statewide MFI rose 5.9% (from \$90,500 to \$95,800), more than double the 2.5% national pace.⁴ The statewide number masks wide county-level variation.

¹HUD, Notice PDR-2026-02, Transmittal of Fiscal Year (FY) 2026 Income Limits for the Public Housing and Section 8 Programs (May 1, 2026), <https://www.huduser.gov/portal/datasets/il/il26/HUD-sec8-FY26.pdf>. The April-to-May delay is explained in HUD, Statement on FY 2026 Median Family Income Estimates and Income Limits (Feb. 2026), <https://www.huduser.gov/portal/datasets/il/il26/Statement-on-FY-2026-Income-Limits.pdf>.

²S.C. Code Ann. § 12-37-220(B)(11)(e) (exemption for nonprofit housing corporation property devoted to housing low or very low income residents). The exemption is conditioned on satisfaction of the safe harbor provisions of IRS Rev. Proc. 96-32, 1996-1 C.B. 717, which uses HUD AMI to define "low income" ($\leq 80\%$ AMI) and "very low income" ($\leq 50\%$ AMI) and requires both (a) at least 75% of units occupied by tenants at or below 80% AMI, and (b) either at least 20% of units occupied by tenants at or below 50% AMI or at least 40% by tenants at or below 60% AMI.

³N.C. Gen. Stat. § 105-278.6(a)(8) (charitable exemption for nonprofit-owned property providing housing to individuals or families with "low or moderate income"). The statute does not define "low or moderate income" or reference HUD AMI; in practice, partner properties use HUD AMI as the operative benchmark, often pursuant to financing or covenant requirements. Related provisions at § 105-278.7A and § 105-277.1F.

⁴Computed from HUD, FY 2025 and FY 2026 Median Family Incomes for States, <https://www.huduser.gov/portal/datasets/il/il26/FY26-Median-Attachment-State-Medians.pdf>. County-level figures derived from HUD's FY 2026 county income limit tables.

County / MSA	FY 2025 100% AMI	FY 2026 100% AMI	Change
Lancaster	\$93,700	\$113,900	+21.6%
Orangeburg	\$62,600	\$73,300	+17.1%
Kershaw	\$84,400	\$97,800	+15.9%
Spartanburg	\$82,400	\$91,200	+10.7%
Greenville / Pickens	\$97,300	\$106,400	+9.4%
Anderson	\$87,100	\$95,100	+9.2%
Charleston / Berkeley / Dorchester	\$110,900	\$117,500	+5.9%
York	\$112,200	\$117,400	+4.6%
Beaufort	\$112,500	\$113,000	+0.4%
Richland / Lexington (Columbia)	\$92,700	\$92,400	-0.3%
Horry (Myrtle Beach)	\$87,200	\$86,000	-1.4%
Greenwood	\$81,900	\$74,600	-8.9%

Source: HUD FY 2025 and FY 2026 county income limits, 4-person household at 100% AMI.

Three SC items merit specific attention. **Lancaster** is up 21.6%, the largest jump in either state, driven by its inclusion in the Charlotte-Concord-Gastonia MSA reference area, and meaningful room on both income eligibility and rent. **Spartanburg, Greenville/Pickens, and Anderson** all moved 9% to 11%; the move is consistent with HUD's 10% annual cap binding on the published Very Low Income limit in these areas, so the operative compliance figure to watch is the 50% AMI column rather than the headline. And on every **Greenwood** file: 100% AMI fell 8.9%, but the 50%, 60%, and 80% tiers all *increased* because they were held to the State Non-metropolitan Median Family Income floor that HUD applies to nonmetro counties. Compliance work needs to read the operative tier, not the headline.

North Carolina

Statewide MFI rose 3.1% (from \$95,000 to \$97,900), modestly above the national pace. Several major NC areas declined.

County / MSA	FY 2025 100% AMI	FY 2026 100% AMI	Change
Lee (Sanford)	\$73,900	\$85,400	+15.6%
Davie / Forsyth / Stokes / Yadkin (Winston-Salem)	\$86,700	\$96,700	+11.5%
Buncombe / Henderson / Madison (Asheville)	\$93,100	\$103,200	+10.9%
Pender	\$101,400	\$110,600	+9.1%
Guilford (Greensboro)	\$85,600	\$91,500	+6.9%

County / MSA	FY 2025 100% AMI	FY 2026 100% AMI	Change
Onslow (Jacksonville)	\$80,800	\$85,400	+5.7%
Mecklenburg / Cabarrus / Gaston / Union (Charlotte)	\$112,200	\$117,400	+4.6%
Cumberland (Fayetteville)	\$79,000	\$81,900	+3.7%
Durham / Orange / Chatham	\$126,200	\$129,900	+2.9%
Wake / Johnston / Franklin (Raleigh)	\$132,700	\$132,300	-0.3%
New Hanover (Wilmington)	\$110,900	\$109,200	-1.5%
Rockingham	\$83,300	\$76,600	-8.0%
Rowan (Salisbury)	\$89,800	\$79,000	-12.0%

Source: HUD FY 2025 and FY 2026 county income limits, 4-person household at 100% AMI.

The NC numbers split harder than SC. Charlotte, Greensboro, and the Triangle posted moderate gains; **Asheville (Buncombe/Henderson/Madison) and Winston-Salem (Davie/Forsyth/Stokes/Yadkin)** both posted moves above 10%, consistent with HUD's 10% annual cap binding on the published Very Low Income limit in those areas. The contrarian story is in the smaller MSAs: **Rowan dropped 12.0%, Rockingham 8.0%**. These are material decreases that require fresh eligibility screening for any applicant whose prior approval relied on FY 2025 figures, and that will compress rent ceilings at recertification. Raleigh's flat result still leaves it with the highest absolute AMI in either Carolina at \$132,300.

FY 2026 maximum rents at 80% AMI: selected counties

HUD base rents at 80% AMI for FY 2026 (tenant-paid utilities), the practical ceiling for most SAHA partner abatement properties. Counties shown are the major metropolitan areas in each state, plus the county with the largest year-over-year AMI increase and the largest decrease. For the full county-by-county rent schedule, use HUD's query tool. Properties at the ceiling can adjust at the next lease cycle, subject to the covenant terms on file.

County / MSA (80% AMI)	Studio	1 BR	2 BR	3 BR	4 BR
Lancaster	\$1,435	\$1,538	\$1,845	\$2,132	n/a
Spartanburg	\$1,265	\$1,355	\$1,626	\$1,879	\$2,096
Greenville / Pickens	\$1,489	\$1,595	\$1,914	\$2,212	\$2,468
Charleston / Berkeley / Dorchester	\$1,645	\$1,762	\$2,115	\$2,444	\$2,726
Richland / Lexington (Columbia)	\$1,294	\$1,386	\$1,664	\$1,922	\$2,144
Horry (Myrtle Beach)	\$1,205	\$1,291	\$1,549	\$1,789	\$1,996
Greenwood	\$1,045	\$1,120	\$1,344	\$1,552	\$1,612

County / MSA (80% AMI)	Studio	1 BR	2 BR	3 BR	4 BR
Lee (Sanford)	\$1,176	\$1,260	\$1,512	\$1,748	n/a
Davie / Forsyth / Stokes / Yadkin (Winston-Salem)	\$1,335	\$1,430	\$1,716	\$1,982	\$2,059
Buncombe / Henderson / Madison (Asheville)	\$1,434	\$1,536	\$1,844	\$2,130	n/a
Guilford (Greensboro)	\$1,281	\$1,373	\$1,648	\$1,904	n/a
Mecklenburg / Cabarrus / Gaston / Union (Charlotte)	\$1,644	\$1,761	\$2,114	\$2,442	\$2,724
Durham / Orange / Chatham	\$1,780	\$1,908	\$2,289	\$2,644	n/a
Wake / Johnston / Franklin (Raleigh)	\$1,852	\$1,985	\$2,382	\$2,752	n/a
Rowan (Salisbury)	\$1,168	\$1,251	\$1,501	\$1,734	n/a

Source: HUD FY 2026 rent limits, base rent column (tenant-paid utilities). "n/a" indicates a bedroom count not separately published by HUD for that area.

What to address this cycle

For each partner property, the priority items are:

- Pull the property's county-specific 50%, 60%, and 80% AMI limits from HUD's query tool at huduser.gov/portal/datasets/il. County-level figures, not the statewide summary, drive compliance under both § 12-37-220(B)(11)(e) and § 105-278.6.
- In counties with material increases (SC: Lancaster, Orangeburg, Kershaw, Spartanburg, Greenville, Anderson; NC: Lee, Forsyth, Buncombe, Pender), verify the property's abatement covenant does not impose its own fixed-dollar rent cap before raising rents to the new ceiling.
- In counties with decreases (SC: Greenwood, Horry; NC: Rowan, Rockingham, New Hanover), screen all new applicants against the lower FY 2026 thresholds and confirm existing tenants do not require any rent reduction at recertification.
- For **Greenwood, SC** specifically: do not rely on the headline 100% AMI decrease. The 50%/60%/80% tiers increased; check the operative tier in the property's exemption application.
- **SC application freeze, now in effect:** S. 853, signed into law May 19, 2026, bars SCDOR from granting final approval of any § 12-37-220(B)(11)(e) exemption application **filed on or after June 30, 2026**, for property tax years 2026 and 2027, holding such applications in abeyance through June 30, 2027. A carve-out preserves normal processing for property owned entirely by a nonprofit (directly or through a wholly owned instrumentality); joint-venture structures do not qualify. Partner properties contemplating a new exemption application should aim to file before the cutoff. See SAHA's separate S. 853 client alert for detail.
- **SC proportionate-ownership rewrite, not enacted:** H. 5006, which would have tied the exemption to the nonprofit's percentage of ownership in the property, was recommitted to

the House Committee on Ways and Means on May 14, 2026 and did not pass. The concept may return; applications held in abeyance under the S. 853 freeze would be evaluated “under the law then in effect.”

- **NC watch item:** the House Select Committee on Property Tax Reduction and Reform is reviewing proposed amendments to § 105-278.6 that would tighten ownership and reapplication requirements. We will circulate updates if it advances.

How SAHA Can Help

SAHA's team can help review individual property files against the new limits, particularly where AMI movement crosses an eligibility threshold, a rent adjustment is contemplated, or a new exemption application must clear the June 30, 2026 filing cutoff. A short email is enough to start the conversation.

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This alert is intended to inform SAHA clients and friends about legal developments; figures are verified against HUD's FY 2025 and FY 2026 income-limits documentation. Nothing herein should be construed as legal advice or a legal opinion. Please contact SAHA for guidance specific to your situation.