

## Internal Revenue Service Releases Revenue Procedure 2026-23 Revising Average Area Purchase Prices for Mortgage Revenue Bonds

### Hawkins Update

05.06.2026

Please be advised that on May 6, 2026, the Internal Revenue Service released [Rev. Proc. 2026-23](#), attached hereto, updating the average area and nationwide purchase price safe harbor limits for the Mortgage Revenue Bond and Mortgage Credit Certificate programs. We call to your attention the following major provisions of Rev. Proc. 2026-23.

- Except as provided below, Section 3.03 requires an adjustment factor of 0.860 for new loan limits and no longer allows for the adjustment by 0.867 that was used in 2025.
- The purchase price limits found in the attached Rev. Proc. at Section 4.01 reflect the 0.860 adjustment factor but do not show the 90% or 110% actual limits required for the Mortgage Revenue Bond and Mortgage Credit Certificate programs. Such calculations must be done for targeted and non-targeted area residences, respectively.

The 2026 average area and nationwide purchase price limits are effective for commitments (in writing) to provide financing or issue Mortgage Credit Certificates made for residences that are purchased beginning on May 6, 2026. Notwithstanding this, issuers may continue to rely on the average purchase prices set forth in Rev. Proc. 2025-18 with respect to bonds sold, or Mortgage Credit Certificates issued with respect to bond authority exchanges, before June 5, 2026, if the commitment (in writing) to provide financing or issue Mortgage Credit Certificates is made before July 6, 2026.

Any questions regarding the foregoing may be directed to a member of the [Hawkins Delafield & Wood LLP Tax Department](#).