



The Alabama Landlord Report

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MOBILE, ALABAMA

This is the first issue of The Alabama Landlord Report, a monthly advisory we are sending to clients, colleagues, and association members whose work intersects with landlord-tenant law, property operations, and housing policy.

Our goal is simple: pull the developments that actually matter to Alabama landlords and property managers, cut everything else, and tell you what it means for your operations.

This report is built for owners, operators, regional managers, and on-site teams who do not have time to wade through 40 pages of agency commentary to find the two paragraphs that matter. Each issue is curated for practical relevance, with attention to compliance risk, operations, leasing, and litigation exposure.

Some items affect only federally assisted housing. Some affect conventional operators. All are here because they have a credible downstream impact on how Alabama multifamily housing is leased, managed, screened, or litigated.

If something here connects to an issue you are having, reach out.

Taft Hughes

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WHAT'S INSIDE

- 01** [Leasing Staff Are Your Biggest Fair Housing Liability](#)
- 02** [Requiring a Social Security Number Is a Fair Housing Risk You May Not Have Priced](#)
- FH01** [HUD's Mixed-Status Housing Rule Creates Immediate Compliance Obligations](#)
- W1** [The Alabama Legislature Has 11 Days Left](#)
- W2** [HUD Reversed Its 30-Day Eviction Notice Rule](#)

This month: Federal compliance risk is rising on two fronts simultaneously. Fair housing screening practices are under increased testing scrutiny nationwide, and HUD's proposed

overhaul of immigration status verification is creating significant new obligations for assisted housing owners. Meanwhile, the Alabama Legislature is down to its final 11 days. If any of this is landing on something you are already dealing with, this issue is worth your time.

Key Developments

01

Leasing Staff Are Your Biggest Fair Housing Liability

Fair housing testing is not slowing down. Organizations routinely send testers posing as prospective residents to identify inconsistent or discriminatory treatment at the leasing level, and the settlements that follow are predictable and avoidable. A recent case resolved for \$35,000 not because management had a discriminatory policy, but because frontline staff applied the rules differently depending on who was asking.

Two points worth flagging for your operations team. First, steering is illegal regardless of who initiates it. If a prospect tells your leasing agent he only wants to be shown units near residents of his same religion, the correct response is to decline, state your equal opportunity policy, and offer to show availability based on unit specifications only. Accommodating that request, even at the prospect's insistence, puts your property in the violation column. Second, consistency is the only defense. Testing cases are almost always built on disparate treatment between testers of different protected classes. The liability is not in your written policy; it is in whether your staff applies it the same way every time.

What This Means for You

If your leasing staff has not had documented fair housing training in the last twelve months, you have a gap. A \$35,000 settlement is the low end of what inconsistent leasing practices cost. Training records, written scripts for common scenarios, and a clear escalation path for unusual requests are the three things that separate defensible operations from expensive ones.

[DOJ FAIR HOUSING ENFORCEMENT CASES →](#)

02

Requiring a Social Security Number Is a Fair Housing Risk You May Not Have Priced

Federal fair housing law does not prohibit asking for a Social Security number on a rental application, but it does prohibit applying the requirement in a way that produces a discriminatory effect based on national origin. Because SSN requirements disproportionately screen out non-citizen applicants, a blanket denial of any application lacking an SSN is a legally vulnerable position, particularly where the applicant could otherwise qualify using an Individual Taxpayer Identification Number, a foreign passport, or other verifiable identity documentation.

HUD guidance indicates that if SSNs are ordinarily used in the screening process, alternative documents should be accepted, including ITINs, unexpired foreign passports, and employment authorization cards. That does not mean you are obligated to approve unqualified applicants. It means your screening criteria need to be consistently applied, financially grounded, and documented accordingly.

What This Means for You

If your standard application form requires an SSN as a mandatory field with no stated alternative, review it. The exposure is not in asking the question; it is in treating a missing SSN as an automatic disqualification when compliant alternatives exist. This is a lease form audit item, not a policy debate.

[HUD OWNER-AGENT GUIDANCE LETTER →](#)

DID YOU KNOW

500,000 new apartments

The U.S. delivered **500,000 new apartment units in 2025**, the most in a single year since 1986. That historic supply wave is what has been softening rents nationally for nearly two years. Alabama's major markets were not among the hardest-hit, but the downstream effect is real: **concession-heavy leases signed during peak competition are now coming up for renewal, and residents who signed under those terms are the most likely to shop the market when renewal notices go out.**

Fair Housing & Federal Housing Update

FH01

HUD's Mixed-Status Housing Rule Creates Immediate Compliance Obligations for Assisted Property Owners

On February 20, 2026, HUD published a proposed rule that would require verification of U.S. citizenship or eligible immigration status for all applicants and recipients of assistance under Section 214-covered programs, regardless of age. Beyond the documentation requirements, the rule would extend to project owners a mandatory reporting obligation to DHS whenever personnel determines that any household member is present in the United States in violation of immigration law, a duty previously limited to public housing agencies. All individuals would be required to submit a declaration of eligible status, a signed verification consent form, and undergo verification through the SAVE system. Public comments are due April 21, 2026.

What This Means for You

If you own or manage HUD-assisted properties subject to Section 214, including Section 8 PBRA, this rule is not peripheral. Audit your verification procedures, confirm your SAVE system enrollment is current, and flag the owner reporting provision for your compliance staff now. The comment deadline is April 21 and your industry association channels are the appropriate vehicle for raising concerns about operational feasibility.

[FEDERAL REGISTER: PROPOSED RULE 91 FR 8151](#) →

Legislative & Regulatory Watch

W 1

The Alabama Legislature Has 11 Days Left. The Clock Matters.

The Legislature completed its eighth week with 19 of 30 constitutionally allotted days consumed. With a minimum five-day passage requirement, the practical window for new legislation is closing fast. No landlord-tenant or URLTA-specific bills were on active floor debate this week, but committee activity remains heavy. Clients with a pending legislative priority should be in contact with their legislators now.

W 2

HUD Reversed Its 30-Day Eviction Notice Rule. Read the Fine Print Before Changing Anything.

Effective March 30, 2026, HUD's interim final rule eliminates the federal 30-day notice requirement prior to lease termination in PBRA and public housing programs, returning to pre-2021 standards. However, the CARES Act statutory 30-day notice requirement for covered properties remains in effect independently of HUD's regulation. Do not shorten your notice timeline without first confirming your property's CARES Act coverage status.

[FEDERAL REGISTER: 30-DAY NOTICE RESCISSION](#) →

Questions about any of these issues?

Reach out directly. We are glad to discuss how these developments apply to your specific portfolio or operations.

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