

Multifamily Housing (MFH) HOTMA Implementation Guidance

HOTMA Compliance Dates and Suggested Implementation Roadmap



Notice H2023-10 provides guidance to MFH owners on the implementation of the many program changes brought about by HOTMA Sections 102 and 104, as well the Final Rule published in Federal Register Notice 88 FR 9600 on February 14, 2023. The following is a suggested HOTMA compliance roadmap for MFH owners:

● January 1, 2024

Effective date of the Final Rule.

● May 31, 2024

MFH owners' Tenant Selection Plans and EIV policies and procedures reflecting HOTMA rules and discretionary policies **must be updated and made publicly available.**

● Late Summer, 2024

Estimated Owner's software compliant date

● January 1, 2025

MFH owners **must be fully compliant** with the HOTMA Final Rule.

October 2023

Begin updating Tenant Selection Plan and EIV policies and procedures.

Early Spring 2024

Be in communication with software provider on status of HOTMA/TRACS updates.

Fall 2024

- Implement Updated Tenant Selection Plan and EIV policies and procedures.
- Determine whether interim reexaminations under old lease require reexamination consistent with HOTMA's requirements and proceed accordingly until all families are under updated model lease.
- Ensure all tenant data submissions comply with HOTMA regulations.
- Notify families that their next income determination will be conducted in accordance with HOTMA Final Rule.
- Use the revised Tenant Consent Form (form HUD-9887/9887A), as available.
- Begin delivering tenant 60-days' notice for modified lease, as available.

Fall 2024 into Winter and Spring 2025

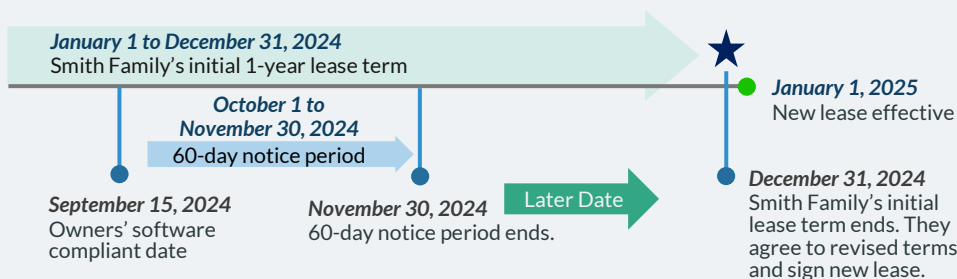
Modify tenant's lease with revised model lease at expiration date.

MFH Owner's 60-day Notice to Tenants of HOTMA Lease Modification

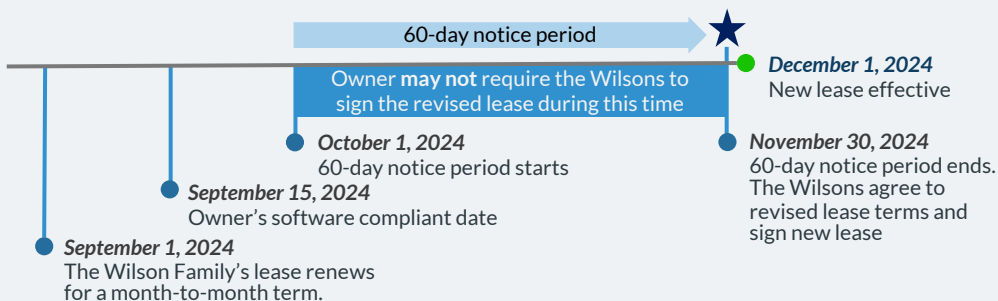
Once MFH owners' software is HOTMA-compliant (i.e., software developer has fully implemented TRACS 203-A system requirements), they **must** provide 60 days' notice to tenants that their lease will be modified. MFH owners **must** also begin to use HUD's updated revised model lease at the expiration of the family's lease and with all new families.

The following are two example scenarios of when a family would sign the modified lease:

Example 1: The Smith Family's initial 1-year lease term ends December 31, 2024. They received a Notice of Lease Modification on October 1, 2024 (90 days prior to the end of their initial lease term date).



Example 2: The Wilson Family's initial 1-year lease term ended August 31, 2024. They renewed on a month-to-month term starting September 1, 2024. They received a 60-day Notice of Lease Modification on October 1, 2024.



Required Owner Actions:

- 1 Provide tenants with 60 days' notice that their lease will be modified.
- 2 Begin to implement updated HOTMA-compliant policies.
- 3 Ensure that all tenant data submissions comply with HOTMA regulations.
- 4 Use the revised Tenant Consent form (form HUD-9887/9887A).

Renewing Families Under the Revised Lease

Owners must provide families with a copy of the revised HUD-approved lease at least **60 days prior** to the end of a family's lease term.

- Must include a letter stating that (1) family can either accept the modification or move, and (2) a response is due in 30 days.

Families must either:

- Accept, sign the modification, and return; or
- Refuse and give 30-day notice of intent to vacate.

If the family indicates the modification is unacceptable, or does not respond **within 30 days**, the MFH owner may begin procedures to terminate tenancy.