



Overview of Notice H 2023-10 Implementation Guidance:

Section 102 and 104 of the Housing Opportunity
Through Modernization Act of 2016 (HOTMA)

HUD Multifamily Housing HOTMA Training Series for Owners

Month, 2024

MFH HOTMA Video Series for Owners



Overview of Notice H 2023-10 Implementation Guidance



Annual Reexamination



Asset Limitation



Determining Income



Interim Reexaminations



Mandatory Deductions and
Hardship Relief/Exemptions



Net Family Assets



Verification and other
related topics

A hand holding a black and gold pen over a notepad. The notepad has a white cover with a gold-colored spine and a white page with a gold-colored border. The hand is holding the pen in a writing position, with the pen tip pointing towards the bottom left of the page.

Today's Agenda

Overview of Notice H 2023-10:

- Purpose, background, applicability, and structure of the notice.
- Effective dates, compliance, and updates to MFH owner policies.
- Superseded and rescinded notices.
- List of attachments.

Notice H 2023-10:

<https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-10hsgn.pdf>

IMPORTANT NOTE:

- Notice H 2023-10 is a joint publication prepared by MFH and the Office of Public and Indian Housing (PIH).
- Also referred to as Notice PIH 2023-27.
- This session only discusses material in the notices pertaining to MFH

Learning Objectives

- Understand the purpose of Notice H 2023-10.
- Identify important dates, actions, and updates related to Notice H 2023-10.
- Review superseded and rescinded notices and attachments.
- Examine Notice H 2023-10 attachments.



Purpose of Notice 2023-10



Provide guidance to MFH owners on the implementation of the many program changes brought about by:

- HOTMA Sections 102 and 104.
- Final rule published in Federal Register Notice 88 FR 9600 on February 14, 2023.

SEC. 102. INCOME REVIEWS.

(a) INCOME REVIEWS FOR PUBLIC HOUSING AND SECTION 8 PROGRAMS.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a) is amended—
(1) in subsection (a)—

SEC. 104. LIMITATION ON ELIGIBILITY FOR ASSISTANCE BASED ON ASSETS.

Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended by inserting after subsection (d) the following new subsection:



9600

Federal Register / Vol. 88, No. 30 / Tuesday, February 14, 2023 / Rules and Regulations

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Parts 5, 92, 93, 570, 574, 882, 891, 960, 964, 966, 982

[Docket No FR-6057-F-03]

RIN 2577-AD03

Housing Opportunity Through Modernization Act of 2016: Implementation of Sections 102, 103, and 104

Multifamily Housing programs: Jennifer Lavorel, Director, Program Administration Office, Office of Asset Management and Portfolio Oversight, at 202-402-2515 (this is not a toll-free number), or email MFH_HOTMA@hud.gov.




Community Development Block Grant program: Jessie Kome, Director, Office of Block Grant Assistance, Office of Community Planning and Development, at 202-402-5539 (this is not a toll-free number), or email CPD_HOTMA@

Section 103 of HOTMA, and this was followed by a July 26, 2018 (83 FR 35490) notice that made some provisions of Section 103 of HOTMA effective.

On January 18, 2017, HUD published a proposed rule (82 FR 5458) that made multiple HOTMA provisions for the Housing Choice Voucher (HCV) program, unrelated to sections 102, 103, and 104, effective and solicited public comment on HUD's implementation

Modernize documentation requirements to reduce the burden on families accessing housing in support of Office of Management and Budget (OMB) Memo M-22-10.

Background

-  HOTMA signed into law on July 29, 2016.
 - Consists of 14 sections affecting public and assisted rental assistance programs.
-  Final rule for implementing Sections 102, 103, and 104 of HOTMA published on February 14, 2023.
 - Only Sections 102 and 104 apply to HUD's MFH programs.
 - Section 102 changes requirements related to income reviews.
 - Section 104 sets maximum asset limitations.
-  Notice H 2023-10 published on September 29, 2023, and updated on February 2, 2024.
 - Addresses implementation of Sections 102 and 104.

NOTE: Refer to MFH's HOTMA Implementation Notice Training for additional guidance:
https://www.hud.gov/sites/dfiles/Housing/documents/HOTMA_Notice_Training.pdf

Burden Reduction and Program Alignment

Pursuant to OMB Memo M-22-10, Improving Access to Public Benefits Programs Through the Paperwork Reduction Act, HUD:

- Has reviewed verification and documentation requirements for program participants, including the use of the Enterprise Income Verification (EIV) system.
- Is aligning required document date timeframes and document submission requirements for bank accounts and employment income across MFH and PIH programs.

Consistency Among HUD Programs

**MFH
Programs**



**PIH
Programs**

Notice H 2023-10 Applicability

HOTMA updates and creates new rules for MFH programs.



Notice H 2023-10 applies to the following MFH programs:

- Section 8 Project-Based Rental Assistance (PBRA).
- Section 202/8 Supportive Housing for the Elderly and Persons with Disabilities.
- Section 202/162 Project Assistance Contract (202/162 PAC).
- Section 202/811 Capital Advance with Project Rental Assistance Contract (202/811 PRAC).
- Non-insured 236 Projects with Interest Reduction Payments (236 IRP).
- Section 811 Project Rental Assistance Demonstration (811 PRA).
- Senior Preservation Rental Assistance Contract (SPRAC).

NOTE: The Asset Limitation provision only applies to Section 8 PBRA and 202/8. It does not apply to any other MFH programs.

Structure of Notice H 2023-10

Notice H 2023-10 comprises the HUD executed notice and 10 attachments, which include:



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Housing
Office of Public and Indian Housing

Special Attention of:

Multifamily Asset Management Division
Directors
Multifamily Contract Administrators
Multifamily Project Owners
Multifamily Regional Center Directors
Public Housing Agencies
Public Housing Hub Office Directors
Public Housing Program Center Directors
Regional Directors
Field Office Directors
Resident Management Corporations

Notice H 2023-10

Notice PIH 2023-27

Issued: September 29, 2023

Expires: This Notice remains in effect until amended, superseded, or rescinded.

Cross References:

Regulations: 24 CFR Parts 5, 882, 891, 960, 966, 982

Office of Housing Notices: H 2020-06; H 2019-06; H 2016-01; H 2015-12

Office of Public and Indian Housing Notices: PIH 2019-09; PIH 2017-05 (HA); PIH 2016-05; PIH 2015-21; PIH 2013-04 (HA); PIH 2012-29; PIH 2012-03; PIH 2012-1 (HA)

Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA)

1. PURPOSE

The purpose of this notice is to provide guidance to Public Housing Agencies (PHAs) and Multifamily Housing (MFH) Owners on the implementation of the many program changes brought about by the Housing Opportunity Through Modernization Act of 2016 (HOTMA) sections 102 and 104 and detailed in the final rule published in *Federal*



Asset Limitation



Calculating Income



Deductions and Expenses



Applicable Fair Housing and Civil Rights Requirements



Household Composition



Income



Income Inclusion



Inflationary Adjustments




Interim Reexaminations



Verification



Important Dates, Actions, and Updates

- Effective dates
 - Compliance dates
 - Required owner actions
 - Updates to multifamily housing owner policies
- 

Notice H 2023-10 Compliance Dates



January 1, 2024

Effective date of the Final Rule.

May 31, 2024

MFH owners must:

- Update their Tenant Selection Plans and EIV policies and procedures to reflect HOTMA rules and discretionary policies.
- Make the updated Tenant Selection Plan and EIV policies and procedures publicly available.

January 1, 2025

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

HUD Monitoring of HOTMA Compliance Dates

Prior to the January 1, 2025, compliance date:

- MFH owners will not be penalized for HOTMA-related tenant file errors during the Management and Occupancy Reviews (MORs).
- Contract Administrators will issue observations with corrective actions.


On or after the January 1, 2025, compliance date:

- Contract Administrators will issue HOTMA-related findings during MORs.
- MFH owners must correct all HOTMA-related observations that were issued by Contract Administrators in 2024.




MFH owners who fail to implement HOTMA may be found in default of their business agreements with HUD.

Updating Policies and Procedures

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- ▶ Owners should begin immediately to update their Tenant Selection Plan and EIV policies and procedures to meet the May 31, 2024, deadline.
 - ▶ Refer to MFH's List of Discretionary Policies to Implement HOTMA to assist you in updating your policies. This can be found at:
https://www.hud.gov/sites/dfiles/Housing/documents/MFH_List_Discretionary_Policies_Implement_HOTMA.pdf
 - ▶ Owners must continue to follow their existing policies and procedures until their software is compliant with TRACS 203-A.

Compliance with TRACS Update

HUD is updating TRACS for compliance with HOTMA.

-  Once MFH owners' software is HOTMA-compliant (i.e., software developer has fully implemented TRACS 203-A system requirements), MFH owners must:
- 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).

IMPORTANT NOTE: HUD's Office of MFH Programs strongly recommends that owners align their own HOTMA implementation timeframe with the release of TRACS 203-A (anticipated Summer 2024).

60 Days' Notice to Tenants of Lease Modification

- Once MFH owners' software is HOTMA-compliant, they must provide 60 days' notice to tenants that their lease will be modified.
 - Leases will be modified at the end of the lease term after the expiration of the 60-day notice.



Best Practice: Provide 90 Days' Notice

- MFH owners must begin to use HUD's revised model lease at the expiration of the family's lease.

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).

NOTE: MFH owners must use the revised model lease for all new families immediately after their software is HOTMA-compliant.

60 Days' Notice to Tenants of Lease Modification

- ▶ Tenants in their initial 1-year lease term will sign the modified lease at the *later* of either (1) the end of the initial lease term or, (2) the end of the 60-day period.

Note: Tenants have the option to sign the revised lease prior to the end of the 60-day period.

EXAMPLE:

- ▶ 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).

January 1 to December 31, 2024

Smith family's initial 1-year lease term

September 15, 2024

Owners' software-compliant date.

October 1 to November 30, 2024
60-day notice period.

November 30, 2024

60-day notice period ends.

Later Date

December 31, 2024

Smith family's initial lease term ends.
They agree to revised terms and
sign new lease.

January 1, 2025
New lease effective.

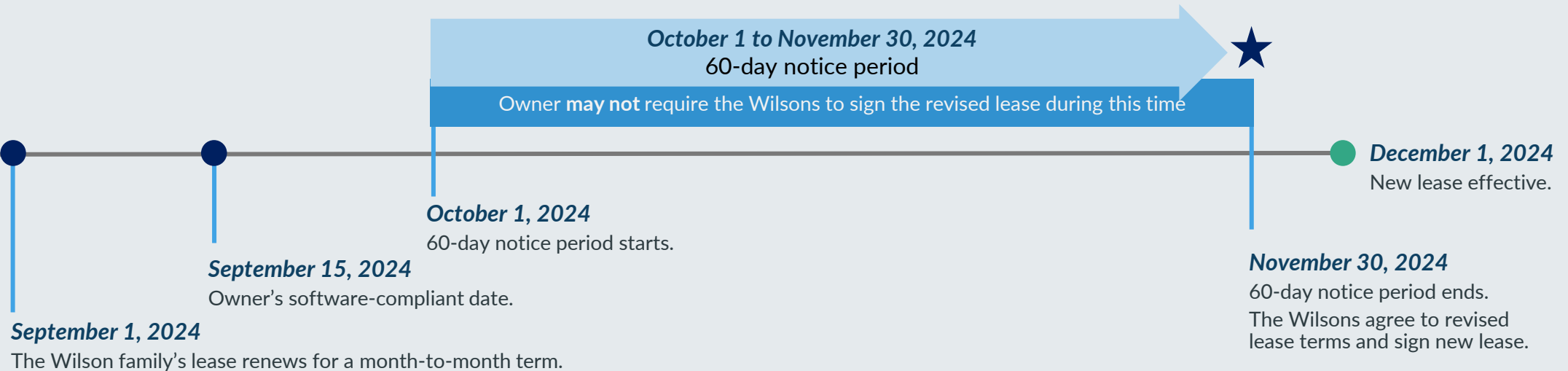
60 Days' Notice to Tenants of Lease Modification

- ▶ Tenants on a month-to-month lease after the initial 1-year lease term will sign the modified lease at the end of the 60-day period.

Note: Tenants have the option to sign the model lease prior to the end of the 60-day period.

EXAMPLE:

- ▶ 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.



Revised Model Lease

- HUD is updating model leases for the five affected MFH programs:
 - Section 8 PBRA.
 - 202/8.
 - 202 PRAC.
 - 811 PRAC.
 - 811 PRA.
- Existing leases must be modified by using the updated model lease only at the end of a current lease term.
- No other modifications may be made to the model lease without HUD's approval.
- MFH owners may incorporate existing HUD-approved lease addenda into the revised model leases if the addenda do not conflict with the requirements of the HOTMA Final Rule.

Lease terms are listed in:

Section 8 Model Lease

Paragraph 2 in form HUD-90105-A

202/8 Model Lease

Paragraphs 1 and 9 in form HUD-90105-B

202 PRAC Model Lease

Paragraphs 1 and 8 in form HUD-90105-C

811 PRAC Model Lease

Paragraphs 1 and 8 in form HUD-90105-D

811 PRA Model Lease

Paragraphs 1 and 8 in form HUD-92236

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.



Key Best Practice: Include both the required notice that the lease will be modified and the new lease and required letter in the same mailing.

Delivering the Notice of Lease Modification

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- The lease modification notice must be served to families in the following manner:
- Send a letter by first-class mail, properly stamped, addressed, and including a return address, to the family at the unit address; and
 - Deliver a copy of the notice to any adult person answering the door at the unit. If no adult answers the door, the person serving the notice may place it under or through the door or affix it to the door.

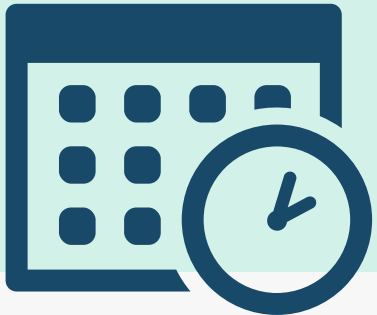


MFH Owners are not permitted to deliver the lease modification notices to families electronically.

24 CFR § 247.4(b), as applicable to 24 §§ CFR 891.430(b), 891.630(b), and 891.770(b).

Effective Date of Notice Delivery

- The date on which the notice is deemed “received” by the family is the later of:
 - The date the first-class letter is mailed; or
 - The date the notice is properly given.
- Service of the notice is deemed effective once the notice has been both mailed and hand-delivered.



Plan accordingly. The effective date of the notice delivery must be at least 60 days prior to the end of the lease term.

Implement Updated Policies and Procedures

- Implement the revised Tenant Selection Plans and EIV policies and procedures.
- Families who are under old leases must continue to report income and household composition changes between annual reexaminations until they sign a revised lease.
- MFH owners are required to determine whether reported changes require an interim reexamination consistent with HOTMA's requirements.
- All other HOTMA final rule provisions can be implemented without the family's execution of a revised lease.

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).

HOTMA Compliant Tenant Data Submissions

- ▶ All tenant data submissions must comply with the HOTMA regulations.
- ▶ Prior to their first reexaminations under HOTMA, MFH owners must inform families that their income determinations will be conducted in accordance with the HOTMA final rule.
- ▶ As a best practice, HUD recommends that MFH owners describe to families how their income determinations will change with the implementation of the final rule.

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).

Revised Tenant Consent Form

▶ MFH owners must use the revised Tenant Consent Form (form HUD-9887/9887A) and fact sheets (“How Your Rent is Determined”).

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).

The image shows a stack of documents related to the revised Tenant Consent Form. The top document is the 'Document Package for Applicant's/Tenant's Consent to the Release Of Information', which includes a 'Failure to Sign the Consent Form' warning, a 'U.S. Department of Housing and Urban Development' header, and a 'Verification by Owners of Information' section. Below this is the 'HUD-9887/A Fact Sheet', which provides detailed instructions for applicants and tenants, including a 'Notice and Consent for the Release of Information' and a 'Verification of Information Provided by Applicants and Tenants of Assisted Housing' section. The fact sheet also includes a 'Document Package for Applicant's/Tenant's Consent to the Release Of Information' and a 'HUD-9887/A Fact Sheet' section.

Suggested Roadmap for HOTMA Compliance

October 2023

Begin updating Tenant Selection Plan and EIV policies and procedures.

May 31, 2024

Finalize Tenant Selection Plan and EIV policies and make publicly available.

Late Summer 2024

Estimated owners' software-compliant date.

Fall 2024 into Summer 2025

Modify tenant lease(s) with revised model lease at expiration date.

Early Spring 2024

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

January 1, 2025

MFH owner compliant with HOTMA Final Rule.

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.

NOTE: Since the current lease cannot be modified with the revised model lease until the expiration date, it may take a full year after software becomes HOTMA-compliant before all leases are modified.



Superseded and Rescinded Guidance and Notices

Superseded and Rescinded Guidance

- ▶ Notice H 2023-10 supersedes the following portions of the HUD Handbook 4350.3: Occupancy Requirements of Subsidized Multifamily Housing Programs:
 - Chapter 3. Eligibility for Assistance and Occupancy
 - Chapter 4. Waiting List and Tenant Selection
 - Chapter 5. Determining Income and Calculating Rent
 - Chapter 7. Recertification, Unit Transfers, and Gross Rent Changes
 - Chapter 9: Enterprise Income Verification (EIV)
 - Glossary
- ▶ HUD plans to update and post these sections to their website.



Before consulting any of these resources, be sure you are using a version **dated after** the publication of this notice.

Superseded and Rescinded Notices



Notice H 2023-10 also supersedes and replaces guidance provided by the following notices:

- Exclusion from Annual Income of Temporary Employment from the U.S. Census Bureau (H 2020-06)
- Passbook Savings Rate Effective February 1, 2016 (H 2016-01)
- Amendment to the Definition of Tuition (PIH 2015-21/H 2015-12)

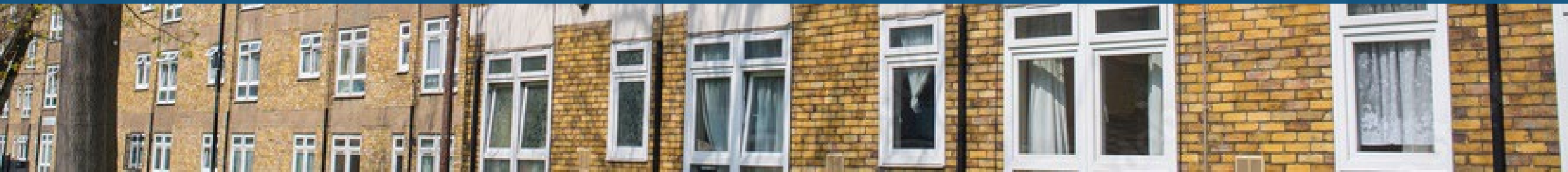


The following notices are rescinded by Notice H 2023-10:

- Streamlining Administrative Regulations for Multifamily Housing Programs (H 2016-09)
- Section 811 Project Rental Assistance (PRA) Occupancy Interim Notice (H 2013-24)
- Enterprise Income Verification (EIV) System (H 2013-06)



Notice H 2023-10 Attachments



Attachments to Notice H 2023-10



Attachment 1: Asset Limitation



Attachment 2: Calculating Income



Attachment 3: Deductions and Expenses



Attachment 4: Applicable Fair Housing and Civil Rights Requirements



Attachment 5: Household Composition



Attachment 6: Income



Attachment 7: Income Inclusion



Attachment 8: Inflationary Adjustments



Attachment 9: Interim Reexaminations



Attachment 10: Verification

Attachment A: Asset Limitation

Regulations:

- 24 CFR §§ 5.100; 5.603; 5.618

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	No

- ▶ Section 104 of HOTMA creates a restriction on a family's eligibility to receive assistance if the family:
 - Owns real property that is suitable for occupancy.
 - Has assets in excess of \$100,000, as adjusted annually for inflation.
- ▶ Pursuant to 24 CFR 5.618(c), MFH owners are given discretion at reexamination in enforcing the asset limitation on eligibility.
 - Refer to HUD's guidance on the use of discretionary authority.

Attachment B: Calculating Income

Regulations:

- 24 CFR §§ 5.609(c)(1); 5.609(c)(2); 5.609(c)(4); 5.657(f); 882.515; 882.515(f); 882.808; 882.808(i)(5); 891.105; 891.410(c); 891.410(g)(1); 891.410(g)(2); 891.610(c); 891.610(g)(1); 891.610(g)(2); 960.257; 982.516; and 982.516(f)

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	Yes

- ▶ **Subtopic B.1.** New Admissions and Interim Reexaminations.
 - Owners must use anticipated income—the family’s estimated income for the upcoming 12-month period.
 - Consistent with pre-HOTMA process.
- ▶ **Subtopic B.2.** Annual Reexaminations.
 - Revises standards for calculations during annual reexaminations.
 - Owners have the option to use a “safe harbor” income verification from another federal means-tested program.
 - Except when using “streamlined” income determinations, must determine family’s income for previous 12-month period.
 - Adjustments to reflect current income must be made and income from assets is always anticipated.

Attachment C: Deductions and Expenses

Regulations:

- 24 CFR §§ 5.603; 5.611(a)(1); 5.611(a)(2); 5.611(a)(3); 5.611(a)(3)(ii); 5.611(b)(1); 5.611(b)(1)(i); 5.611(b)(1)(ii); 5.611(c)(1); 5.611(c)(1)(D); 5.611(c)(2); 5.611(d); 5.611(e); 5.611(e)(2); and 891.105

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	Yes

- ▶ Discusses requirement that MFH owners must consider mandatory deductions when determining a family's annual adjusted income.

For example:

- Dependent: Remains at \$480, adjusted annually for inflation.
- Elderly/Disabled: Increased to \$525, adjusted annually for inflation.
- Medical, childcare, other expenses, etc.

Attachment D: Applicable Fair Housing and Civil Rights Requirements

Regulations:

- 24 CFR §§ 5.105(a), 8.6, 982.53; 28 CFR §§ 35.160 and 36.303

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	Yes

🔍 Reminds MFH owners that HOTMA did not revise existing Fair Housing or Civil Rights requirements, and they must continue to follow all applicable nondiscrimination and equal opportunity requirements at 24 CFR § 5.105(a) and 24 CFR § 982.53, including but not limited to:

- The Fair Housing Act.
- Section 504 of the Rehabilitation Act of 1973.
- Title VI of the Civil Rights Act of 1964.
- The Age Discrimination Act.
- HUD's Equal Access Rule.
- Title II of the Americans with Disabilities Act of 1990.

Attachment E: Household Income

Regulations:

- 24 CFR §§ 5.403; 5.603; 5.609; and 891.105

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	Yes

- Revisions to the definition of family.
- New definition of foster adult and foster child.
- Alignment of family definition across HUD programs.



Attachment F: Income

Regulations:

- 24 CFR §§ 5.100; 5.603; 5.603(b); 5.603(b)(3) – (b)(4); 5.609; 5.609(a)(1) – (a)(2); 5.618; 882.515(a); 882.808(i)(1); 891.105; 960.259(c)(2); and 982.516(a)(3)

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	Yes

▶ Annual Income

▶ Earned Income

▶ Definitions

- Day laborer.
- Independent contractor.
- Seasonal worker.
- Unearned income.

▶ Assets

- Determining net family assets.
- Exclusions from net family assets.
- Necessary and non-necessary personal property.
- Trusts.
- Federal tax refunds or refundable tax credits.

▶ Passbook Rate

▶ Actual and Imputed Income from Assets

▶ Self-Certification of Net Family Assets

Attachment G: Income Exclusions

Regulations:

- 24 CFR §§ 5.609(b)(4)–(5); 5.609(b)(7)–(10); 5.609(b)(14)–(15); 5.609(b)(17); 5.609(b)(19)– (24); 5.609(b)(24)(i)–(vii); 5.609(b)(25); 5.609(b)(27)–(28); 5.611; and 891.105

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	Yes

- ▶ Provides descriptions and clarifying information for new and updated income exclusions referenced in 24 CFR § 5.609(b).

- ▶ Does not address all income exclusions listed in 24 CFR § 5.609(b), but only those that are newly added or updated by the final rule.

Attachment H: Inflationary Adjustments

Regulations:

- Table H-1 lists the applicable CFR reference, and in which Notice Attachment the item can be found.

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	Yes

- Adjustment factors.
 - Published annually no later than September 1, shared on the HUDUser website.
- Will apply to both MFH and PIH programs.
- Will be effective on January 1 of the following year.
- The first set of adjustments will be made effective January 1, 2025.

Attachments I: Interim Reexaminations

Regulations:

- 24 CFR §§ 5.567(c)(1); 882.515(b)(1); 960.257(b)(1); 982.516(c)(1); 891.105; 891.410(g); and 891.610(g)

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	Yes

- Family may request interim determinations.
- MFH owner must conduct review within a reasonable period, generally considered not longer than 30 days.
- Attachment I focuses on HOTMA revisions to income reexamination requirements and includes detail on MFH owner discretion related to the policies.
 - Decreases and increases in adjusted income.
 - Over income.
 - Non-interim reexamination transactions.
 - Policies for reporting income or household composition changes.
 - Processing time and effective dates.
 - Streamlined income determination.
 - Impact on FSS programs.

Attachment J: Verification

Regulations:

- 24 CFR §§ 5.657(c)(2); 882.515(b)(2); 891.105; 891.410(g)(2); 891.610(g)(2); 960.257(b)(2); and 982.516(c)(2)

MFH Program	Applicable
▪ Section 8 (PBRA) Section 202/8	Yes
▪ Section 202/811 PRAC ▪ Section 236 IRP ▪ Section 811 PRA ▪ SPRAC	Yes

- 🎮 Updates to verification of income requirements.
 - Authorization for the Release of Information.
 - Revocation of consent.
 - Mandated and discretionary use of EIV system.
 - Determining income using other means (or “Safe Harbor”).
 - Verification hierarchy, descriptions, and guidance.
 - Verification of social security numbers.
 - Verification of excluded income.
 - Zero income reviews.

Resources



HOTMA Final Rule:

<https://www.hud.gov/sites/dfiles/PA/documents/6057-F-03-HOTMA-Income-Final-Rule.pdf>



Notice H 2023-10, Implementation Guidance: Section 102 and 104 of HOTMA:

<https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-10hsgn.pdf>



HUD Multifamily HOTMA Page:

https://www.hud.gov/program_offices/housing/mfh/hotma



Summary of Key HOTMA Changes:

https://www.hud.gov/sites/dfiles/Housing/documents/HOTMA_One_pager.pdf



List of Discretionary Policies to Implement HOTMA:

https://www.hud.gov/sites/dfiles/Housing/documents/MFH_List_Discretionary_Policies_Implement_HOTMA.pdf



HUD User Inflationary Adjustment Page:

<https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>



Thank you!

For technical assistance or additional questions, please contact the HOTMA Multifamily Help Desk.

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