Use of Rent Override Function:

An owner who implements HOTMA prior to the release of TRACS version 203A must utilize the "rent override" function in TRACS if a family's HOTMA-calculated tenant rent differs from their pre-HOTMA calculated tenant rent. An owner employing the rent override function must:

1. Submit accurate information in Sections B (Summary) and C (Household Information) of the 50059. Section C must accurately reflect the circumstances of the household so that HUD can continue income data-matching with other agencies;
2. Enter the data in the remaining sections D (Income Information), E (Asset Information), and F (Allowances & Rent Calculations) of the 50059 from the family's most recent reexamination (either annual or interim); and
3. Submit non-interim transactions (see subtopic I.4 in Attachment I of Notice H 2023–10) as interim reexaminations, when applicable.

Use of the rent override function may result in the generation of specific, limited discrepancy codes, which owners may disregard. HUD has instructed Contract Administrators to process vouchers despite these specific discrepancy codes, after ensuring that all other information is correct. HUD strongly encourages owners to provide their Contract Administrators with notice that they intend to use the rent override function.

Documentation in Tenant Files

Owners who implement HOTMA prior to the release of TRACS version 203A must annotate tenant files with the following information:

1. Which HOTMA and other Notice H 2023–10 provisions were implemented, regardless of whether they resulted in a different tenant rent than would have resulted using pre-HOTMA rules (owners are cautioned that many aspects of HOTMA are interrelated; implementation of some without others may be infeasible and/or may affect tenant rents);
2. How the family's income, assets, and mandatory deductions were determined under the implemented HOTMA provisions; and
3. If applicable, what the tenant rent would have been under the pre-HOTMA rules, and the HOTMA tenant rent amount that was entered using the "rent override" function.

As a reminder, and as stated in paragraph 6.2 of Notice H 2023–10, prior to January 1, 2025, MFH Owners will not be penalized for HOTMA-related tenant file errors during Management and Occupancy Reviews. Instead, the Contract Administrator will issue observations with corrective actions. Contract Administrators will, however, issue a finding if an owner's TSP and EIV Policies and Procedures were not appropriately updated or made publicly available by March 31, 2024, as required.

It is important to note that the updated HOTMA Implementation Notice 2023-10 was re-published on February 5th. To keep yourself informed about all matters related to HOTMA, we encourage you to review this revised notice. It incorporates numerous technical corrections, improved clarity following stakeholder input, a comprehensive analysis of the HOTMA Final Rule, and an updated Attachment A. You can access it via the following link: Notice H 2023–10