

PIH HOTMA Implementation FAQs for PHAs - Questions Related to Notice PIH 2024-38
February 25, 2025

Q1. Notice PIH 2024-38 identifies several provisions of Sections 102 and 104 of HOTMA that PHAs must comply with by July 1, 2025. May PHAs comply with those provisions sooner than July 1, 2025?

A1. Yes. The Notice says that “PHAs may immediately begin complying” with these provisions, “once they have made any necessary updates to their materials and processes.” That may include revising Administrative Plans and Admissions and Continued Occupancy Policies (**see Question #7**), as well as revisions to admissions or recertifications packets or other documents.

In the Notice, HUD encourages PHAs to consult with their software vendors prior to beginning to implement these provisions. Some software vendors will need to make changes in their software before PHAs using that software can successfully submit HUD-50058 forms that utilize these provisions in IMS/PIC.

Q2. What is the compliance deadline for other provisions of HOTMA Sections 102 and 104 that are not mentioned in Notice PIH 2024-38?

A2. Due to technical obstacles related to reporting transactions in IMS/PIC, HUD will not enforce compliance with these provisions by July 1, 2025. HUD will issue further guidance as to when enforcement with the outstanding provisions of Sections 102 and 104 will take place. In the interim, HUD plans to provide regular updates to PHAs on the progress of systems development.

Q3. How will HUD-50058 submissions be affected by PHAs implementing HOTMA income exclusions, as noted in Notice PIH 2024-38?

A3. HUD has determined that PHAs can successfully report HOTMA income exclusions in Section 7 (Income) of the HUD-50058 while using IMS/PIC. Field 7e of the HUD-50058 (“Income exclusions”) allows PHAs to report the amount that is excluded from a particular income source, and PHAs may enter information about the amount of the income exclusion in that field.

As noted in [Notice PIH 2023-27](#), Attachment J, Section J.7, fully excluded income can be left off the HUD-50058. For income sources excluded in accordance with 24 CFR 5.609(b) and any *Federal Register* notice on mandatory exclusions issued by HUD (see [FR-6410-N-01, published on January 31, 2024](#)), PHAs are not required to verify the income using third-party verification, document in the tenant file why third-party verification was unavailable, or report the income on Form HUD-50058.

Q4. Will HUD be enforcing compliance with the HOTMA provisions related to calculation of net family assets and asset income by July 1, 2025?

A4. No, HUD will not enforce compliance with provisions related to calculation of net family assets and asset income by July 1, 2025. HUD will provide further guidance on when it will enforce compliance with provisions related to the calculation of net family assets.

Although the Notice did not specify that 24 CFR 5.609(b)(1) is an asset-related provision, it should be noted that HUD will not be enforcing PHA compliance as it pertains to 24 CFR 5.609(b)(1) on account of the IMS/PIC system reflecting pre-HOTMA asset requirements in the Assets Section of the HUD-50058 module.

Q5. Notice PIH 2024-38 requires PHAs to use several definitions no later than July 1, 2025. Besides needing to update policy documents that utilize older versions of these definitions, what are the anticipated practical consequences of using these definitions?

A5. Most of the new and revised definitions identified in Notice PIH 2024-38 relate to new and revised income exclusions, so PHAs will use those definitions when determining whether a particular source of income is partially or fully excluded from the annual income determination. In some cases, the definitions have other applications. PHAs must update definitions where they explicitly provide them in policy documents.

The list below explains significant practical requirements associated with the definitions identified in Notice PIH 2024-38:

- “Earned income” and “unearned income” (5.100) – The term “earned income” is used in the income exclusion at 5.609(b)(3), for the earned income of children under the age of 18. It is also used in 5.609(b)(14), for the earned income of dependent full-time students in excess of the amount of the dependent deduction.
- “Family” (5.403) – This term is used when determining whether an applicant meets the basic eligibility criterion as a family, for admission into PIH programs. (See, for example, 24 CFR 960.201(a)(1), which requires that all applicants meet the definition of family as defined at 5.403 in order to be admitted into the Public Housing program.) The [HOTMA Final Rule](#) added to the definition of family, with details on the single persons that are considered families for this purpose. This change was made to bring the regulatory definition into conformity with statutory requirements created by the Consolidated Appropriations Act of 2021.
- “Day laborer,” “independent contractor,” and “seasonal worker” (5.603). These terms are used in the income exclusion at 5.609(b)(24), for nonrecurring income.
- “Dependent” (5.603). The only revision to this definition with the HOTMA Final Rule was to make more explicit that foster children and foster adults are not members of the assisted family and so are not counted as dependents. This is not a change in policy for PIH programs. This term is used in the income exclusions at 5.609(b)(14) and (15), related to the earned income of dependent full-time students and adoption assistance payments, respectively.
- “Foster child” and “foster adult” (5.603). The HOTMA Final Rule added new definitions for these terms. The terms are used in the income exclusion at 5.609(b)(4) and (8), related to payments received for the care of foster children and foster adults and to the income of live-in aides, foster children, and foster adults, respectively.
- “Health and medical care expenses” (5.603). This term replaces the use of the term “medical expenses” in the income exclusions at 5.609(b)(2)(i)(B), related to trust distributions, and at 5.609(b)(6), related to amounts received for or in reimbursement of the cost of health and medical care expenses.
- “Minor” (5.603). This term is used in the income exclusion at 5.609(b)(2)(i)(B), related to trust distributions.

Q6. Footnote 8 of Notice PIH 2024-38 says that HUD has determined that PHAs can choose not to use the Enterprise Income Verification (EIV) system to verify tenant employment and income information during interim reexaminations. Why would PHAs choose to do that, what must they do if they want to take that option, and is there a date by which they have to do that?

A6. The HOTMA Final Rule revised 24 CFR 5.233 to remove the requirement for PHAs to use HUD's EIV system in its entirety to verify tenant employment and income information during an interim reexamination of family composition and income. This change may reduce the administrative burden on PHAs related to interim reexaminations. Notice PIH 2024-38 notes that there are no technical obstacles to PHAs beginning to exercise that option. PHAs that wish to do so would stop running EIV when completing interim reexaminations. Whether or not they do so should have no impact on HUD-50058 submissions.

However, as noted by Notice PIH 2023-27, PHAs may choose to continue to use EIV to verify tenant employment and income information at interim reexaminations of family composition and income. There is no date by which PHAs must cease running EIV at interim reexaminations, since this policy is optional.

Since this is a discretionary policy, any PHA that chooses to implement the policy must include such policies in their Admin Plan or ACOP, and they must be formally adopted by the PHA's board of commissioners before implementation. Any policy adopted by a PHA must be applied consistently for all households.

Q7: What steps must a PHA take to update its Administrative Plan or Admissions and Continued Occupancy Policy, in light of Notice PIH 2024-38?

A7: PHA Administrative Plans for the HCV Program and Admissions and Continued Occupancy Policies for Public Housing (Admin Plans/ACOPs) are intended to document policies for which PHAs have discretion. Compliance with the new and revised income exclusions at 5.609(b) is not discretionary. See Question #4 regarding 24 CFR 5.609(b)(1). Therefore, by July 1, 2025, PHAs must begin using these income exclusions for families' income and rent calculations for new admissions and each regular or interim reexamination, regardless of whether the new and revised income exclusions are listed in their Admin Plans/ACOPs. If the PHA's Admin Plan/ACOP currently includes a list of income exclusions based on the previous regulations, the PHA must either remove the list, or update it according to the new regulations.

For any discretionary policies (e.g., use of Safe Harbor income determinations, opting to not use EIV at interim reexaminations, how the PHA will repay or credit families for overcharges due to de minimis errors), these policies must be included in the PHA's Admin Plan/ACOP, and formally adopted by the PHA's board of commissioners before implementation. If the PHA determines that a change qualifies as a significant amendment to the PHA Plan, as that term is defined by the PHA in their PHA Plan, then the requirements for public comment and Resident Advisory Board review (24 CFR 903.13 and 903.17) apply.