



HOTMA Income and Assets Implementation Notice: Overview

Office of Public and Indian Housing

Background – HOTMA Law

- The Housing Opportunities Through Modernization Act of 2016 (HOTMA) was signed into law on July 29, 2016, amending many aspects of HUD’s rental assistance programs, streamlining processes, and reducing burdens on housing providers.
 - **Section 102:** Changes requirements related to income reviews for the Public Housing and the Housing Choice Voucher (HCV) program.
 - **Section 103:** Modifies the continued occupancy standards of Public Housing residents.
 - **Section 104:** Sets maximum asset limits and establishes exclusions from net family assets for Public Housing and HCV applicants and participants.



Background - HOTMA Final Rule and Implementation Notice

- The HOTMA Final Rule implementing Sections 102, 103 and 104 of the law was published in the Federal Register on **February 14, 2023**.
 - Updates the HUD regulations pertaining to family income, assets, and continued occupancy in the Public Housing Program
- Notice PIH 2023-03 Final Implementation of the PH Over-Income Limit was published on HUD's website on March 13, 2023
- Notice PIH 2023-27/H 2023-10 Implementation Guidance: Sections 102 and 104 of HOTMA, **has now been published** on HUD's website, dated September 29, 2023



Purpose

- The purpose of this Notice is to provide guidance to Public Housing Agencies (PHAs) on the implementation of program changes brought about by HOTMA Sections 102 and 104 (Income and Assets), for the following programs:
 - Housing Choice Voucher (HCV) including Project-Based Vouchers
 - Moderate Rehabilitation
 - Moderate Rehabilitation SRO
 - Public Housing
- The Notice also provides guidance to Multifamily Housing (MFH) Owners on program changes to MFH programs



Notice Structure - Introduction

- The Notice contains an introductory section which covers:
 - Background
 - Applicability (including MTW applicability)
 - Effective Date and Compliance
 - Superseded and Rescinded Notices



Notice Structure - Attachments

- Following the introductory section, the Notice is organized by distinct topic areas, presented as attachments to the Notice. The attachments are organized alphabetically by topic:
 - Attachment A: Asset Limitation – Reserved (this guidance is still forthcoming)
 - Attachment B: Calculating Income
 - Attachment C: Deductions and Expenses
 - Attachment D: Applicable Fair Housing and Civil Rights Requirements
 - Attachment E: Household Composition
 - Attachment F: Income
 - Attachment G: Income Exclusions
 - Attachment H: Inflationary Adjustments
 - Attachment I: Interim Reexaminations
 - Attachment J: Verification



Effective Date and Compliance

- The final rule effective date is **January 1, 2024**.
- To comply with HOTMA, changes to the Form HUD 50058 Family Report are required, and PHAs must be able to submit transactions to the Housing Information Portal (HIP).
- PHAs' software vendors must make system updates and fully convert to making all submissions to HIP.
- This means that each PHA will set its own **compliance date** as early as January 1, 2024, but **no later than January 1, 2025**, based on the PHA's transition to HIP and their ability to submit all post-HOTMA reporting requirements on the updated 50058.
- All transactions **effective** on the PHA's compliance date or later will be processed using HOTMA policies.
 - For example, a PHA with a November 1, 2024, compliance date will need to send Annual Reexamination packets reflecting the HOTMA changes in July 2024.
- The Real Estate Assessment Center (REAC) will issue a separate HIP transition in the coming months.



PHA Annual Plans and Policy Documents

- PHAs must update and adopt their Public Housing Admissions and Continued Occupancy Policies (ACOP) and HCV Administrative Plans to reflect HOTMA mandatory and discretionary policies prior to their HOTMA compliance date, including the required public notification and review.
- The regulations (24 CFR §903.5(b)(3)) require that a PHA submit its PHA Annual Plan to HUD 75 days prior to the beginning of its fiscal year.
- PHAs may use the PHA Plan process for review and discussion of the ACOP/Admin Plan updates. PHAs must submit their PHA Annual Plan to HUD at least 75 days before their HOTMA **compliance date** or their Fiscal Year start date, whichever is sooner.
- A table is provided in the introductory section of the Notice showing recommended compliance dates based on PHAs' Fiscal Year Start dates.



HUD Support and Technical Assistance

- To date, HUD has provided support for PHAs and stakeholders through webinars, technical assistance, and answering direct questions through the HOTMAQuestions@hud.gov mailbox.
 - HUD's TA provider conducted two webinars on HOTMA 102 and 104. These webinars were conducted via livestream and the recordings are available on [HUD Exchange](#).
 - HUD published a [PHA Discretionary Policies List](#) on the [HOTMA Resources](#) webpage to help PHAs think about the policies they need to set in their Admissions and Continued Occupancy Plans (ACOP) and/or Administrative Plans (Admin Plan). **In September, HUD posted an update to this document, so please check that you are updating your policies in accordance with the latest version.**
 - HUD staff led in-person interactive workshops in Washington DC, New Orleans, Denver and Los Angeles, to discuss HOTMA Income and Assets changes, and gather feedback on areas of concern or uncertainty.



HUD Support and Technical Assistance (cont.)

- HUD is planning several more activities over the coming months:
 - HUD will post to the HOTMA Resources page a series of webinar trainings, each on individual topics, such as Net Family Assets and Calculating Income.
 - HUD's TA provider will post sample ACOP and Admin Plan policies that PHAs may use to update their plans.
 - HUD's TA provider will release a series of vignettes and fact sheets specifically for program participants to help them understand the new policies and how they might be impacted. The TA provider will also post sample forms for PHAs to use.
 - HUD will continue to monitor and respond to questions sent via the HOTMAQuestions@hud.gov email address.





THANK YOU