

PH Specialist HOTMA Book 1 Handout

Page	Slide/Page	Change
Day 1		
N/A	32	Housing Opportunity Through Modernization Act of 2016 (HOTMA) Title I contains 14 sections that affect public housing and Section 8 Initial rulemaking dealt with Sections 101, 105, 106, and 112 mostly impacted PBV and HQS
N/A	33	Section 102: Income Reviews Section 103: PH over-income provisions Section 104: Limitation on eligibility based on assets
N/A	34	Effected programs: Public housing, HCV, PBV (RAD and regular), Multifamily PBRA (RAD and regular), HOME, HOPWA, HTF, 202/811, CDBG “The public should be aware that the effects of this rulemaking are not limited to the programs listed in this rule and preamble.” For example, the LIHTC program uses the Section 8 definition of income
N/A	35	7/29/16: HOTMA enacted 2/14/23: Final Rule published 9/29/2023: Implementation guidance published Based on FY start date: PHA policies updated No later than 1/1/25: Compliance date
N/A	36	While PHA policies must be updated for HOTMA in 2024, the PHA chooses when in 2024 to comply with HOTMA With some exceptions, must implement all at once: “Once a PHA is ready to transition to the HOTMA rules, it must do so in all affected areas of operations”
N/A	37	Although HOTMA will not be implemented by the PHA until an unknown date in 2024, the PHA is required to update its policies in 2024 During this transition period, the PHA will have two policies in place – one that is updated for HOTMA and their pre-HOTMA policy
N/A	38	HUD is in the process of replacing PIC with the Housing Information Portal (HIP) HUD has been working with software vendors to prepare for the conversion
N/A	39	Housing Information Portal (HIP) Upgrades and replaces PIC According to HUD “...the current PIC system is outdated, unstable, and is need of myriad costly repairs and improvements.” System will be cloud-based Should result in fewer outages Enhanced ability for PHAs to run reports
N/A	40	The PHA cannot transition to HOTMA until: The HIP system is operational and accepting certifications The PHA’s software has transitioned Bottom line: Don’t just select a date. Talk to your software vendor first and often.
N/A	41	For certifications in calendar year 2024, the PHA must inform families under what rules the certification is conducted The PHA must inform families whether their income determination is being conducted under the pre-HOTMA regulations or in accordance with the HOTMA Final Rule

PH Specialist HOTMA Book 1 Handout

N/A	42	HUD HOTMA page: https://www.hud.gov/program_offices/public_indian_housing/hotmaresources Dedicated HOTMA email addresses: HOTMAquestions@hud.gov NMA HOTMA Resources page: Nanmckay.com/hotma
1-28	N/A	Notice PIH 2018-18 was replaced by Notice PIH 2023-27
1-32	N/A	Book states: Interim Activities: Same steps as annual reexamination except only verify changes. HOTMA changed the requirements for annual and interim reexaminations
2-41	89	While PHAs must attempt to gather third-party verification of SSNs prior to admission as listed above, PHAs also have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available.
2-42	90	If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the PHA must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.
2-97	191	Book says: "There are two circumstances under which a family is ineligible for the program either initially or upon reexamination of family income based on asset ownership." Notice PIH 2023-27 clarified that the asset restriction is only mandatory at admission. HUD will issue further guidance on how the limitation applies to program participants.
4-2	N/A	Notice PIH 2018-18 was replaced by Notice PIH 2023-27
Section 4.2	26	Under HOTMA, the reasons a PHA performs an interim are typically dictated by PHA policy Because of this, families may experience changes within the household that do not trigger an interim reexam under HOTMA but still need to be reported by the PHA to HUD
Section 4.2	27	New action code on the 50058: Non-interim reexamination transactions HUD will issue additional guidance when the 50058 Instruction Booklet is released Notice PIH 2023-27 has a list of transactions that will trigger non-interim reexams

PH Specialist HOTMA Book 1 Handout

Section 4.2	28	<p>The following is a list of non-interim reexamination transactions:</p> <ul style="list-style-type: none"> • Adding or removing a hardship exemption for the child care expense deduction; • Updating or removing the phased-in hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction (the phased-in relief will begin at an eligible family’s first annual or interim reexamination, whichever is sooner, after January 1, 2024); • Adding or removing general hardship relief for the health and medical care expense deduction and/or reasonable attendant care and auxiliary apparatus expense deduction; • Adding or removing a minimum rent hardship;
Section 4.2	29	<ul style="list-style-type: none"> • Adding or removing a non-family member (i.e., live-in aide, foster child, foster adult); • Ending a family’s EID or excluding 50 percent (decreased from 100 percent) of a family member’s increase in employment income at the start of the second 12- month EID period. • Adding a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule; • Removing a family member and the increase in adjusted income does not trigger an interim reexamination under the final rule; • Adding/updating a family or household member’s Social Security number; and • Updating a family member’s citizenship status from eligible to ineligible or vice versa, resulting in a change to the family’s rent and/or utility reimbursement, if applicable (i.e., family begins receiving prorated assistance or previously prorated assistance becomes full assistance), or updating the prorated rent calculation due to the addition or removal of family members in household with an ineligible noncitizen(s).
4-8	37	<p>If the effect of the changes in adjusted income due to a decrease in family size results in either: no change or an increase in the family’s adjusted income, the PHA must process the removal of the household member(s) as a non-interim transaction without making changes to the family’s adjusted income.</p>
4-8	38	<p>A family member moved out of the assisted unit. The family’s adjusted income prior to the change in household composition was \$20,000, but that decreased to \$18,000 when the family member moved out. Since HUD requires PHAs to process any decreases in adjusted income due to decreases in family size, the PHA must process an interim.</p>

PH Specialist HOTMA Book 1 Handout

4-8	39	A live-in aide moved out of the assisted unit. The family's adjusted income did not change. The PHA must process the removal of the household member as a non-interim transaction without making changes to the family's adjusted income.
4-9	41	PHAs must not process an interim reexam for income increases that result in less than a 10% increase in adjusted income
4-9	42	Mandy Alexander's annual income is \$25,000 Her TANF benefits just increased by \$100 per month (\$1,200 per year) $\$25,000 \times 10\% = \$2,500$ Since the increase is less than 10%, the PHA may not perform an interim
4-9	43	PHAs must conduct an interim when the PHA becomes aware that the family's adjusted income has changed by an amount that the PHA estimates will result in an increase of 10% or more in adjusted income. There are two exceptions.
4-9	44	PHAs may choose not to conduct an interim during the last three months of a certification period if a family reports an increase in income within 3 months of the next annual reexam effective date. Optional: Up to PHA policy Only applicable for increases, not decreases
4-9	45	Maya Mays annual last year was effective 11/1. The PHA begins processing Maya's annual for this year in September with an 11/1 effective date. On 10/1 Maya reports that her TANF benefits have increased by \$30 per month and this amount meets the 10% threshold for increases.
4-9	46	While the change meets the 10% interim increase threshold, the PHA may decline to perform the interim since her next annual will be effective in one month,
4-9	47	PHAs may not consider any increases in earned income when estimating or calculating whether the family's adjusted income has increased. Unless the family has previously received an interim reduction during the same reexam cycle.
4-9	48	For changes in EARNED income: If the family had an interim decrease since their last annual, the PHA has discretion whether or not to consider increases in earned income. If the family did NOT have an interim decrease since their last annual, the PHA has no discretion and MUST NOT consider increases in earned income.

PH Specialist HOTMA Book 1 Handout

4-9	50	<p>If PHA policy states that the PHA will not conduct an interim for increases in earned income when there was a previous interim decrease:</p> <p>The PHA will not perform interims for any increases in earned income, regardless of the amount.</p>
4-9	52	<p>If PHA policy states that the PHA will conduct an interim for increases in earned income when there was a previous interim decrease:</p> <p>The PHA will perform interims for increases in earned income when the 10% threshold is met</p>
4-9	54	<p>Remember, at annual, PHAs are looking backwards.</p> <p>The PHA must make adjustments to reflect current income if there was a change in the previous 12-months that wasn't accounted for during an interim.</p> <p>So when a family has an increase between annuals and the PHA does not conduct an interim, that income will be considered at the family's next annual.</p>
4-9	55	<p>Greg Garland lives alone.</p> <p>At his annual reexam in May, he had a job earning \$32,200 a year. This was his only source of income.</p> <p>Greg did not qualify for deductions and his adjusted income is \$32,200 at the time.</p> <p>3 months later, he gets a promotion and a raise to \$40,000 a year.</p>
4-9	56	<p>Since Greg has not had an interim since his last annual, the PHA may not consider the increase in his earned income and will not perform an interim.</p>
4-9	57	<p>Since the PHA may not consider the increase in earned income, the 10% threshold is not applicable</p> <p>The PHA will consider his raise when conducting his next annual reexam</p>
4-9	58	<p>Tameka Barnes lives alone.</p> <p>At her annual, she had a job earning \$25,000 a year. This was her only source of income.</p> <p>Tameka did not qualify for deductions, and her adjusted income was \$25,000.</p> <p>3 months later, she lost her job.</p> <p>The PHA conducted an interim decrease and made Tameka zero income.</p>
4-9	59	<p>2 months later, Tameka got a new job earning \$30,000 and reported this to the PHA.</p> <p>Does the PHA consider perform an interim?</p>

PH Specialist HOTMA Book 1 Handout

4-9	60	Since Tameka previously had an interim decreases when she lost her job, the PHA may consider her increase in earned income depending on PHA policy.
4-9	61	If PHA policy calls for performing an interim in this situation: The PHA must determine if her increase meets the 10% threshold For Tameka the answer is yes because she was zero income The PHA will process an interim
4-9	62	If PHA policy does not call for performing an interim in this situation: The PHA will not perform an interim The 10% threshold does not apply The PHA will consider the new income from her job at her next annual reexam
4-9	63	If PHA policy does not call for performing an interim in this situation: The PHA will not perform an interim The 10% threshold does not apply The PHA will consider the new income from her job at her next annual reexam
4-9	64	For changes in earned income, the PHA first considers whether or not the family has had an interim since their last annual For changes in unearned income, the PHA does not consider whether an interim was previously performed
4-9	66	Maria Media was receiving \$90 per month in child support at her last annual in March. This was her only source of income. Her annual income was \$1,080 Maria has two children, and her adjusted income was \$120 at the time In July, she reports to the PHA that her child support has increased to \$200 per month
4-9	68	The PHA must determine if the increase meets the 10% threshold $\$120 \text{ (adjusted income)} \times 10\% = \12 Maria's increase meets the threshold since it's more than \$12 The PHA conducts an interim
4-9	69	When the family reports an increase in both earned and unearned income at the same time, the PHA must look at the earned and unearned income changes independently of each other to determine if an interim is performed

PH Specialist HOTMA Book 1 Handout

4-9	70	The PHA will only conduct an interim when the increases independently meet the 10% threshold and all other requirements for performing interims
4-9	71	A family reported increases in both earned and unearned income that overall resulted in a 12% increase in their adjusted income Change in earned income represents a 7% increase Change in unearned income represented a 5% increase The PHA may not perform an interim for either change since neither change meets the 10% threshold independently
4-9	72	If the change in unearned income met the 10% threshold in this case, the PHA would be required to perform an interim If the change in earned income met the 10% threshold in this case, the PHA would refer to PHA policy to determine whether an interim was required
4-9	73	A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10% increase threshold, at which point the PHA must conduct an interim reexam in accordance with PHA policy
4-9	74	At their last annual effective June 1, 2024, the Mosberg family's adjusted income was \$35,909 Based on earned income of the HOH and two dependent deductions
4-9	75	In August, the HOH reported she received a raise at work, increasing her annual earned income by \$2,650 She also recently started receiving monthly child support payments of \$150 (\$1,800 annually) She reported no other changes
4-9	76	While the combined increase of earned income (wages) and unearned income (child support) is a 12.3%, the PHA must look at the earned and unearned income changes independently to determine if an interim should be performed
4-9	77	The increase in earned income represents a 7% increase The increase in unearned income represents a 5% increase The PHA documented in the tenant file that the family reported the change, but an interim was not performed
4-9	78	In November, the HOH reported that her monthly child support payments increased again, from \$150 to \$325 (\$3,900 per year) She certified no other changes to income or deductions

PH Specialist HOTMA Book 1 Handout

4-9	79	<p>The change in unearned income represents a 10.8% increase in adjusted income (based on the 6/1/2024 annual)</p> <p>The PHA must perform an interim, but only for the change in unearned income</p> <p>The PHA will continue to disregard the increase in earned income until the family's next annual reexam</p>
	81	<p>A family may request an interim at any time for any change in income or family composition since the last reexam</p>
4-9	82	<p>The PHA must conduct an interim within a reasonable time after the family request or when the PHA becomes aware of the change</p> <p>Reasonable time may vary based on the amount of time it takes to verify information</p> <p>Generally, should not be longer than 30 days after changes in income are reported</p>
4-9	83	<p>Even though the family may request an interim at any time, the PHA may decline to conduct an interim if the PHA estimates the family's adjusted income will decrease by an amount that is less than 10% of the family's adjusted income</p>
4-9	84	<p>PHAs have some discretion here</p> <p>The PHA may set a specific threshold lower than 10% (i.e. 5%)</p> <p>The PHA may perform interims for decreases of any amount</p>
4-9	85	<p>PHAs may not:</p> <p>Set a higher amount than 10%</p> <p>Establish a dollar figure threshold amount instead of a percentage threshold</p>
4-9	86	<p>Martha Allen's annual income is \$12,000</p> <p>Her deductions are:</p> <p>\$3,000 for health and medical expenses</p> <p>\$525 elderly/disabled deduction</p> <p>Her adjusted income is \$8,475</p>

PH Specialist HOTMA Book 1 Handout

4-9	87	<p>She just incurred a medical expense of \$500.</p> <p>She is requesting the PHA conduct an interim decrease to account for the new expense.</p> <p>The threshold to trigger an interim decrease for Martha is \$847.50.</p> <p>Adjusted income of \$8,475 x 10%</p> <p>Since the expense does not meet the 10% threshold, the PHA may, but is not required to, decline to conduct the interim</p>
4-9	88	<p>However, the PHA must perform an interim for a decrease in adjusted income of any amount in two circumstances:</p> <p>When there is a decrease in family size attributed to the death of a family member;</p> <p>When a family member permanently moves out of the assisted unit during the period since the family's last reexamination</p>
4-9	89	<p>If there is no change/decrease in adjusted income as a result of the decrease in family size, then a non-interim transaction is processed instead of an interim reexam</p>
4-9	90	<p>When a household member dies or permanently moves out:</p> <p>Decreases in adjusted income: Interim reexam</p> <p>Increases in adjusted income: Non-interim transaction</p> <p>Adjusted income stays the same: Non-interim transaction</p>
4-9	91	<p>A family consists of a head of household who works full time and an other adult who is zero income</p> <p>The other adult passes away</p> <p>There is no change in the family's adjusted income</p> <p>The PHA processes a non-interim transaction</p>
4-12	94	<p>PHA policy may require families to report only changes that the family estimates meet the threshold for an interim</p> <p>or</p> <p>PHA may establish policies requiring that families report all changes in income and household composition, and the PHA will subsequently determine if the change requires an interim</p>
4-12	95	<p>PHA may provide families with a copy of the income estimation tool at their annual so that the family understands the 10% threshold</p>

PH Specialist HOTMA Book 1 Handout

4-12	96	<p>When the PHA determines that an interim is necessary, the family must report changes in all aspects of adjusted income</p> <p>9For example, if the family is reporting a decrease in adjusted income, but the family also had a change in assets that would result in a change in income, the change in assets must also be reviewed</p>
4-12	97	<p>HUD recommends as a best practice that PHAs maintain documentation of all reported decreases and increase of any size in the family's file, including those that did not result in an interim</p>
4-13	102	<p>Maria Martin's last annual was in August</p> <p>On 11/1 her child support increased by 15%</p> <p>Under PHA policy, Maria was required to report the increase within 10 days</p> <p>However, she failed to report the change until February</p> <p>The increase will be retroactive to 12/1</p> <p>First of the month following the change</p>
4-13	104	<p>Harry Halloway was receiving unemployment at his last annual reexam effective 4/1. He stopped receiving benefits in July, but he failed to report this timely and reported the decrease on 11/10.</p> <p>The PHA processes an interim in November after he reports the decrease.</p> <p>The PHA applies the decrease prospectively to December 1 which is the first rent period following the completion of the interim.</p>
4-13	107	<p>James June is HOH. His adult son moved out of his assisted unit on 3/1. Under PHA policy, James was required to report the change within 10 days. He failed to report.</p> <p>At the time, the PHA had already processed his annual effective 4/1.</p> <p>He reported the change on 6/12.</p>
4-13	108	<p>The decrease may not be applied prior to the later of the first of the month following:</p> <p>The date of the change leading to the interim: 3/1</p> <p>The effective date of the family's most recent previous annual: 4/1</p> <p>The later of these dates is 4/1</p> <p>If the PHA will apply the change retroactively, the PHA will make the change retroactive to first of the month following the 4/1 annual which is 5/1.</p>

PH Specialist HOTMA Book 1 Handout

4-13	109	Rather than applying retroactive decreases in all cases, the PHA may adopt a policy to describe the conditions under which retroactive decreases will be applied e.g., extenuating circumstances that may inhibit timely reporting or a natural disaster
6-9	31	Regardless of changes in adjusted income, PHAs are required to conduct interims to determine whether families continue to exceed the income limit at 12 and 24 months Unless the family's income decreases below the over-income limit