

## HOTMA Timeline

- February 14, 2023: The [Final Rule](#) implementing sections 102, 103, and 104 of the Housing Opportunity Through Modernization Act of 2016 ([HOTMA](#)) was published.
- September 29, 2023: HUD issued [Notice PIH 2023-27](#) to provide guidance to PHAs on how to implement the HOTMA regulations described in the final rule. (Note: HUD issued a revised version on February 2, 2024).
- September 29, 2023: HUD issued a revised [Form HUD-50058](#) to comply with the new HOTMA requirements.

While the PHA is required to fully comply with HOTMA by January 1, 2025, there are other factors to consider. PHAs cannot fully comply with the requirements of HOTMA until the IMS/PIC system has transitioned to the new Housing Information Portal (HIP) system later this year, and the PHA's software vendor has provided updated software. This is because IMS/PIC only reflects pre-HOTMA requirements and is unable to accept HOTMA-compliant certifications using the newly revised Form HUD-50058. However, although the HIP system and PHA software will not be updated until later this year, PHAs are required to update their policies by a specific date in 2024, which will likely occur before the deployment of the HIP system and PHA software. Further, in a July 18, 2023, email to Executive Directors, Principal Deputy Assistant Secretary (PDAS) Richard Monocchio previously stated that "Once a PHA is ready to transition to HOTMA rules, the PHA must do so in all affected areas of operations," meaning the PHA is required to implement all provisions of HOTMA at once (with a few exceptions) on its compliance date. However, in a February 22, 2024 email, PDAS Monocchio released revised guidance stating that certain provisions of HOTMA may be implemented immediately.

This has probably left your PHA with a lot of questions, like:

- When do we need to update our PHA's policies?
- When do we need to fully comply with HOTMA?
- Once our PHA policies are updated, what do we do?
- What provisions of HOTMA can we implement immediately?
- What do we do once we are ready to fully transition to HOTMA?

We're here to help answer some of your questions.

### When do we need to update our PHA's policies?

How quickly your PHA is required to have its PHA Plan, ACOP, and/or administrative plan updated depends on your PHA's fiscal year start date. PHAs must have their plan and policies updated the **earliest** of:

- 75 days prior to the start of their fiscal year (beginning with 7/1/24 PHAs); or
- 75 days prior to their compliance date (if the PHA selects a compliance date prior to the start of their fiscal year); or
- October 18, 2024 (for PHAs with fiscal year start dates of 1/1/25 and 4/1/25).

Further, since the changes under HOTMA will most likely constitute a significant amendment to the PHA Plan, HUD requires that the PHA:

- Announce a public hearing with at least 45 days' advance notice (unless state law requires a longer period);
  - All information relevant to the public hearing must be available for inspection by the public at the PHA's principal office during normal business hours.
  - The notice must inform the public that the information is available for review and inspection, that a public hearing will take place on the plan, and the date, time, and location of the hearing.
- Hold a public hearing;
- Consider public comments;
- Obtain approval from the PHA's board of commissioners; and
- Submit significant amendments or substantial deviations/modifications to HUD.

Since PHAs will need time to think through the new policy options under HOTMA, NMA recommends the PHA begin the process of updating their policies well in advance of announcing the public comment period. Below is a chart that may be helpful in deciding when to begin this process. ***Please note that all dates in the chart represent the last date on which these activities may occur.*** NMA recommends starting this process early.

FY Start Date	PHA Plan Submission Date	Last Date to Submit to HUD Field Office	Last Date to Hold Public Hearing	Last Date to Announce Hearing
7/1/24	4/17/24	4/16/24	4/15/24	3/1/24
10/1/24	7/18/24	7/17/24	7/16/24	6/1/24
1/1/25	10/18/24*	10/17/24	10/16/24	9/1/24
4/1/25	10/18/24*	10/17/24	10/16/24	9/1/24
	Earlier of 75 days before PHA's compliance date or FY start date.	Must submit significant amendments or substantial deviation/modifications to HUD up until the last day prior to the date when the next year's PHA Plan is due.	PHA must consider public comments prior to submitting plan to HUD. PHA should hold hearing prior to this date in order to incorporate public comments.	Via public notice issued at least 45 days** in advance of scheduled hearing. Public notice should include where and how to access the plan for public review.

\*Latest compliance date is 1/1/25

\*\*Unless state law requires a longer period

### When do we need to fully comply with HOTMA?

Full compliance with HOTMA is mandatory by January 1, 2025. The PHA's HOTMA compliance date is the date on which the PHA begins fully applying all HOTMA provisions to its programs in accordance with the PHA's new HOTMA-compliant policies. All transactions with an effective date on or after the PHA's compliance date must follow HOTMA regulations and the PHA's updated HOTMA policies.

However, the PHA may not arbitrarily select a compliance date. **The PHA's compliance date is dictated by when the new HIP system is accepting certifications and the PHA's software vendor indicates that the PHA may begin submitting certification to HIP.** In order to implement HOTMA, the PHA must be able to submit the revised Form HUD-50058 to HIP. PHAs are not able to do this right now. This means that it is too early for PHAs to pick a compliance date at this point since it is unknown when the HIP system will be operational and the PHA's software will be updated. This also means that the PHA's updated HOTMA policies will likely be completed and approved well ahead of when the PHA actually fully implements HOTMA.

### Once our PHA policies are updated for HOTMA, what do we do?

Since the PHA will most likely have updated and approved policies before its HOTMA compliance date, newly updated PHA policies will likely not be effective at the time they are adopted. During this transition period, the PHA will have two policies in place:

- A pre-HOTMA policy (which may or may not include the changes discussed below) and
- A fully updated HOTMA policy (effective on the PHA's compliance date)

Remember, your PHA will also need to update your forms, packets, and procedures to comply with HOTMA as well as train staff and inform participants about changes.

### What provisions of HOTMA can we implement immediately?

As of January 1, 2024, all PHAs were required to stop enrolling new families in the Earned Income Disallowance (EID). This is true regardless of the PHA's compliance date and is not optional. See Notice PIH 2023-27 for more information.

In [FAQs](#) dated 2/22/24, HUD determined that certain other HOTMA changes are not dependent on transitioning to the HIP system, and PHAs may implement them immediately. This is optional. If your PHA wishes to implement these provisions, your PHA should clarify which provisions of HOTMA are to be implemented prior to the PHA's full HOTMA compliance date and ensure that staff members and families understand what the PHA is implementing and when.

HUD has stated the PHA may, but is not required to, implement the following provisions of HOTMA immediately:

- Form HUD-9886-A
  - May begin having families sign 1/1/24 and later
- Safe Harbor Income Verifications
  - Allows PHAs to use income determinations from other means-tested federal public assistance programs to verify annual income
- Verification Hierarchy
  - Third-party verification dated within 120 days of the date received by the PHA
  - May accept a statement dated within the appropriate benefit year for fixed income sources
- Verification of SSNs
  - If the individual is not able to provide documentation of SSN, the PHA may accept a self-certification of SSN along with a third-party document as a last resort
- Zero Income Reviews
  - PHAs are not required to conduct periodic zero income reviews
  - PHAs may accept self-certification as the highest form of verification for zero income

#### What do we do once we are ready to fully transition to HOTMA?

Once a PHA's policies have been updated and the PHA's software is able to submit transactions to HIP, the PHA may begin fully implementing HOTMA. The PHA selects a date for full compliance with HOTMA, no later than January 1, 2025. All transactions with an effective date on or after the PHA's compliance date must follow HOTMA regulations and the PHA's updated HOTMA policies. The PHA must take into consideration that for annual reexams effective on the PHA's compliance date, the PHA will need to provide families with annual reexam packets 90 to 120 days in advance. In accordance with Notice PIH 2023-27, the PHA must inform the family as to whether their income determination is being conducted under the pre-HOTMA regulations/policies or in accordance with HOTMA regulations/policies.