



July 19, 2023

GENERAL NEWS

HUD Provides Update on HOTMA Implementation

In an [email](#) to executive directors yesterday, the Department of Housing and Urban Development ([HUD](#)) provided an update on the implementation of the over-income provisions (Section 103) and the income and assets provisions (Section 102 and 104) of the Housing Opportunity Through Modernization Act of 2016 (HOTMA).

As far as the over-income provisions (Section 103) are concerned:

- All PHAs should have taken all necessary steps by June 14, 2023, to implement an over-income policy in their admissions and continued occupancy policies (ACOP), including updating their PHA plan, if implementation of these provisions required a significant amendment.
- At a minimum, the PHA's over-income policy must include the imposition of an over-income limit in the program, a clear description of when the grace period begins and ends, the notification requirements under [24 CFR 960.507\(c\)](#) and the action the PHA will take at the end of the grace period (terminating the tenancy of the over-income family within six months or charging the family the alternative rent).
- Notice [PIH 2023-03](#), published on March 13, 2023, provides guidance to PHAs for the implementation of the over-income provisions.

With respect to the income and assets provisions (Sections 102 and 104):

- The new income and assets regulations still take effect on January 1, 2024, but PHAs will have additional time to bring their programs into compliance. However, they must do so as quickly as possible, no later than January 1, 2025. *Compliance* means administering all aspects of the affected programs in accordance with the [HOTMA final rule](#). HUD will establish by notice a compliance date.
- PHAs must still update their ACOPs and administrative plans to reflect the HOTMA rules and discretionary decisions and submit them to HUD by January 1, 2024. HUD will provide a list of policies that PHAs need to establish on the [HOTMA Resources](#) webpage.
- Once a PHA is ready to transition to HOTMA rules, the PHA must do so in all affected areas of operations, including new admissions, interim reexaminations, and annual reexaminations. PHAs must inform families as to whether their income determination is being conducted under the pre-HOTMA regulations or in accordance with the HOTMA final rule.
- Once the Housing Information Portal ([HIP](#)) is available to PHAs, HUD will monitor HIP submissions and reach out to PHAs that are not yet submitting to HIP to check on their status.
- HUD will publish a notice providing implementation guidance on Section 102 and Section 104 requirements later this summer.



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