



September 29, 2023

GENERAL NEWS

HUD Issues Implementation Guidance on Sections 102 and 104 of HOTMA

Today HUD's Office of Public and Indian Housing (PIH) issued Notice [PIH 2023-27](#) to provide guidance to PHAs and multifamily housing (MFH) owners on the implementation of sections 102 (income reexaminations) and 104 (asset limitations) of the Housing Opportunity Through Modernization Act of 2016 (HOTMA). Below are some highlights of the notice:

- The notice is organized by the following topic areas to assist PHAs/MFH owners in identifying programmatic changes that affect their operations: Asset Limitation, Calculating Income, Deductions and Expenses, Applicable Fair Housing and Civil Rights Requirements, Household Composition, Income, Income Exclusions, Inflationary Adjustments, Interim Reexaminations, and Verification.
- Each topic area is presented as an attachment to the notice, which follows a uniform structure: regulations, affected programs, summary of changes, and subtopics. Within each topic area, and in some cases within subtopic areas, the notice indicates whether PHAs/MFH owners have discretion in establishing policies within their individual programs.
- To comply with HOTMA, PHAs must be able to submit transactions to the Housing Information Portal (HIP). This requires the PHA's software vendor to make system updates and fully convert to making all submissions to HIP. Each PHA will set its own compliance date as early as January 1, 2024, but no later than January 1, 2025. Compliance means, in this instance, utilizing the HOTMA rules as it applies to the affected programs and corresponding reporting in HIP. The Real Estate Assessment Center ([REAC](#)) will issue a separate HIP transition notice later this year.
- PHAs must submit their PHA annual plan to HUD at least 75 days before their compliance date or their fiscal year start date, whichever is sooner. A table on page six of the notice shows suggested dates for when PHAs should submit their annual plans based on their fiscal year start date and compliance date.
- PHAs must update their public housing admissions and continued occupancy policies (ACOP) and HCV administrative plans to reflect HOTMA rules and discretionary decisions, including the required public notification and review. The plans will indicate that policies are not effective until the PHA's compliance date.
- PHAs must continue to follow their existing ACOPs and administrative plans until the PHA's software is compliant with HIP. PHAs must implement their revised ACOP and administrative plans once their software is HOTMA compliant.
- **Full compliance with the HOTMA final rule is mandatory effective January 1, 2025.** HUD expects many PHAs will comply before this date, once software systems are ready.
- Today's notice supersedes relevant portions of HUD's guidance as provided in the HCV Guidebook, the Public Housing Occupancy Program Guidebook, and the HUD Handbook 4350.3: Occupancy Requirements of Subsidized Multifamily Housing Programs. HUD will update and replace all the sections and chapters listed starting on page nine of the notice.

Through this notice, HUD is also aligning the timeframes within which documentation must be dated and the breadth of documentation required to verify tenant bank accounts and employment income across PIH and MFH programs in order to reduce burden among tenants who move from one program to another and among entities that administer multiple HUD programs.

HUD Updates List of Discretionary HOTMA Policies

Yesterday on the [HOTMA Resources](#) webpage, the Department of Housing and Urban Development ([HUD](#)) posted an [updated list](#) of discretionary policies for public housing and the Housing Choice Voucher ([HCV](#)) program needed to implement the income and assets provisions (Section 102 and 104) of the Housing Opportunity Through Modernization Act of 2016 (HOTMA). As the previous version, this 15-page chart is organized by topic with related HOTMA policy background information and any necessary policy choices PHAs must make, where applicable. The chart also provides additional information and guidance on preparing for HOTMA.

As you know, PHAs must update their ACOPs and administrative plans to reflect the HOTMA rules and discretionary decisions by January 1, 2024, although PHAs have until January 1, 2025, to fully bring their programs into compliance. *Compliance* means administering all aspects of the affected programs in accordance with the [HOTMA final rule](#). Further information and guidance on HOTMA implementation can be found on the [HOTMA Resources](#) webpage.

HCV PROGRAM NEWS

HUD Issues NSPIRE-V Administrative Procedures Notice

Today HUD's Office of Public and Indian Housing (PIH) also issued Notice [PIH 2023-28](#), which finalizes the administrative procedures of the National Standards for the Physical Inspection of Real Estate ([NSPIRE](#)) for the Housing Choice Voucher ([HCV](#)) and Project-Based Voucher ([PBV](#)) programs. NSPIRE for the HCV and PBV programs (NSPIRE-V) will be effective October 1, 2023, and will replace the Housing Quality Standards ([HQS](#)); however, as announced yesterday in a *Federal Register* [notice](#), HUD extended the compliance date for NSPIRE-V until **October 1, 2024**. Some key points of today's notice include:

- The notice provides guidance for the HCV and PBV programs and implements the second phase of the NSPIRE [final rule](#) for these programs before the compliance date of October 1, 2024. While compliance is not required before that date, HUD encourages any PHA that is ready to implement NSPIRE to do so at their earliest convenience.
- PHAs may continue using HQS or other HUD-approved inspection methods as their inspection standards for up to one year, or until October 1, 2024.
- Regardless of which inspection standards are used, PHAs are reminded that they must include compliance with the carbon monoxide device requirements required by Congress as of December 2022. PHAs may follow the NSPIRE [Carbon Monoxide standard](#) for additional guidance on this requirement.
- PHAs that opt to retain HQS can continue to utilize current HQS guidance, including forms HUD-52580 and HUD-52580-A.
- With respect to inspections conducted on and after the implementation of NSPIRE for the HCV and PBV programs, this notice replaces all HQS guidance previously issued by HUD. HUD will issue updates to HCV guidance materials for NSPIRE later this year.
- The notice also includes information on inspectable areas, NSPIRE standards, variations, NSPIRE processes and procedures, special housing types, alternative inspection methods, an updated NSPIRE inspection form, the use of software or NSPIRE inspection tool, and training.

PH PROGRAM NEWS

SF-424 Module Now Open in OpFund Web Portal

In an email today via HUD's Financial Management Division (FMD) [mailing list](#), HUD's Office of Public and Indian Housing ([PIH](#)) announced that the SF-424 and related forms module is now open in the [operating fund web portal](#).

PHAs must complete their forms SF-424 and, if necessary, HUD-50071 and SF-LLL in the portal before HUD distributes operating fund grants for the calendar year 2024. The PHA's executive director is the only authorized representative that can sign and submit these forms. The submission deadline is **October 20, 2023**.

The email includes a [user guide](#) and a link to a [training video](#) on the SF-424 submission process. PHAs can find guidance on the applicability of the forms HUD-50071 and SF-LLL in Notices [PIH 2023-25](#) and [PIH 2017-04](#). Additionally, HUD is hosting two training sessions on submitting the SF-424 and related forms. The dates and times are as follows:

- [Tuesday, October 3, 2023](#), at 10:30 a.m. Eastern time
- [Wednesday, October 11, 2023](#), at 1:30 p.m. Eastern time

More information related to CY 2024 operating fund processing can be found on the [2024 operating fund grant processing page](#) at the [operating fund website](#).

HUD Posts OpFund Shortfall Funding Materials

On the [2023 Operating Fund Shortfall Funding](#) webpage, the Department of Housing and Urban Development ([HUD](#)) has posted the following materials:

- [Shortfall Obligation Letters](#)
- [Budget Due Dates](#)

The 2023 Appropriations Act set aside \$25 million of public housing operating fund (OpFund) to assist PHAs experiencing or at risk of financial shortfalls. The implementation [notice](#) was issued on July 19, 2023.



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