

December 1, 2023

HCV and PH Question: HOTMA Effective Dates

Q: We've been doing our best to try and implement HOTMA for reexams that are effective 1/1/24, which is the effective date of HOTMA, but we're unsure how to proceed since the 50058 hasn't been updated for HOTMA yet. Are all provisions of HOTMA effective 1/1/24?

A: We see why you're confused. Notice [PIH 2023-27](#) makes numerous references to certain pieces of HOTMA being effective on January 1, 2024—in particular the new \$525 elderly/disabled allowance, the new 10 percent threshold for health and medical care and disability assistance expenses, the revised passbook rate, annual inflationary adjustments, and the sunset of the EID. For example, page 24 of the notice states, “Effective January 1, 2024, the elderly/disabled family deduction increases from \$400 to \$525 and applies to a family’s next interim or annual reexamination, whichever is sooner...*PHAs/MFH owners must implement the adjusted elderly/disabled family deduction for all income examinations that are effective on January 1 or later*” [emphasis added]. The notice contains similar language throughout.

NMA queried HUD and they stated that PHAs are not required to begin using the higher elderly/disabled deduction or 10 percent threshold on January 1, 2024. On the contrary, while PHAs remain in IMS/PIC prior to their migration to the Housing Information Portal (HIP), they will be unable to successfully submit a Form HUD-50058 if they use the higher deduction or the higher threshold and will receive fatal errors if they do so. Likewise, PHAs will only be using the annual inflationary adjustments and new passbook rate once the PHA begins complying with HOTMA. While this is generally true for all provisions HOTMA, there is one exception, which is the sunset of the EID. The EID will no longer apply after December 31, 2023. However, remember that families already receiving EID when it sunsets are entitled to finish the remainder of their 24-month exclusion period. This means that no family will still be receiving EID after December 31, 2025.

So, when does the PHA begin complying with HOTMA? The PHA's HOTMA compliance date is the date on which the PHA will begin implementing its new HOTMA-compliant PHA policies. Although page 6 of Notice PIH 2023-27 states that the PHA “*must pick a compliance date that falls before the deadline for their PHA Plan submission,*” NMA has

confirmed with HUD that this statement is inaccurate and will be removed from the notice. **PHAs may pick a compliance date any time in 2024, but no later than January 1, 2025.** This means the PHA's compliance date is not tied to the PHA's FY start date. The PHA's compliance date, however, will be dictated by when the new Housing Information Portal (HIP) is accepting certifications, and the PHA's software vendor indicates that the PHA may begin submitting certification to HIP. This means that at this point it's too early for PHAs to pick a compliance date 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 policies will likely be completed and approved well ahead of when the PHA actually implements HOTMA.