



Introduction

- **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
 - We will be focusing on Sections 102 and 104

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Final Rule

■ “HOTMA 102/104”

Section
102

- Income reviews

Section
103

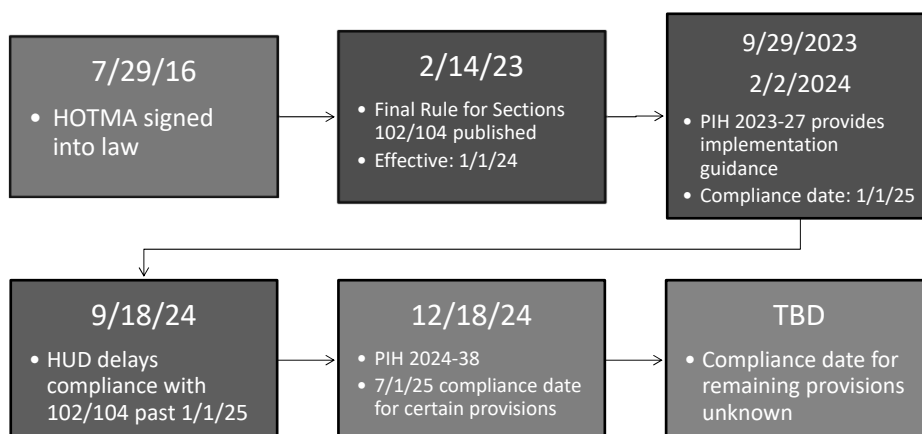
- Public housing over-income families

Section
104

- Limitation on eligibility based on assets

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Timeline for HOTMA 102/104



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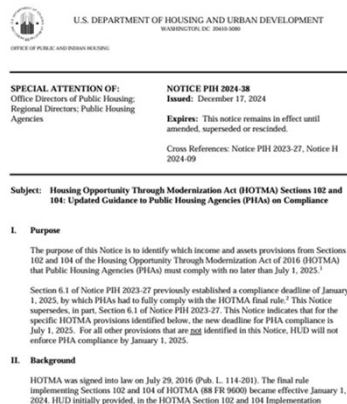
Transition to HIP

- HUD is in the process of replacing IMS/PIC with the Housing Information Portal (HIP)
- PHAs cannot implement certain provisions of HOTMA 102/104 until the HIP system is operational since HOTMA-compliant 50058s will not be accepted by PIC
- Provisions of HOTMA requiring HIP implementation are currently on hold



Partial Implementation of HOTMA 102/104

- Notice PIH 2024-38
 - Released 12/18/24
- Identifies provisions in HOTMA 102/104 that PHAs must comply with no later than 7/1/25



Compliance Deadline: 7/1/25

- **All transactions with an effective date on or after 7/1/25 must be processed using requirements in Notice PIH 2024-38**
 - **Since reexams start 90 to 120 days prior to the effective date, provisions are effective as soon as 3/3/25 depending on when the PHA starts reexams**



PHA Implementation

- ***“PHAs may immediately begin complying with provisions in the notice once they have made any necessary updates to their materials and processes.”***
- **Notice does not mention updating PHA policies**



Compliance Deadline Not Applicable

- 7/1/25 compliance deadline does not apply to other HOTMA 102/104 provisions not listed in the notice
 - Other provisions are dependent on HIP implementation

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HUD Enforcement Prior to 7/1/25

- **Earned Income Disallowance**
 - PHAs must have stopped enrolling families into the EID as of 12/31/23
 - **Form HUD-9886-A**
 - The old Form HUD-9886 expires 1/31/25
 - Once it expires, Form HUD-9886-A will be the only approved version of the form
- ➔ ▪ PHAs must transition to the new Form HUD-9886-A by 2/1/25

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Compliance Deadlines

Provision	Required Compliance Date
Stop enrolling families in the EID	1/1/24
Use of Form HUD-9886-A	No later than 2/1/25
Income exclusions	No later than 7/1/25
Definitions	No later than 7/1/25
De minimis errors	No later than 7/1/25

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Income Exclusions

- PHAs may immediately implement income exclusions in 24 CFR 5.609(b) on all income examinations
 - New admissions, annual, or interims
- For all income examinations effective on or after 7/1/25 PHAs must apply HOTMA 102/104 income exclusions

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Income Exclusions

- Full list of income exclusions is listed at 24 CFR 5.609(b)
- Notice also refers to exclusions listed in Notice PIH 2023-27, Attachment G and F



Definitions

- PHAs may immediately begin to use the following definitions
- PHAs must use these definitions for all transactions effective on or after 7/1/25



Definitions

- Earned income and unearned income
- Family
- Day laborer and independent contractor
- Dependent
- Foster child and foster adults
- Health and medical care expenses
- Minor



Other Provisions

- Notice PIH 2024-38 also mentions two other HOTMA provisions that may be implemented immediately
 - PHAs may choose not to use EIV during interims
 - PHAs may, but are not required to, use Safe Harbor income determinations from means-tested federal assistance programs



Safe Harbor Verification in PIC

- If a PHA chooses to adopt this policy while in IMS/PIC, they must list annual income from the other program’s determination in Section 7 under the HOH using the code *other nonwage sources* (N)

7. Income						
7a. Family member name	No.	7b. Income Code	7c. Calculation (PHA use)	7d. Dollars per year	7e. Income exclusions	7f. Income after exclusions (7d minus 7e)
HOH name	1	N		\$	\$	\$
				\$	\$	\$
				\$	\$	\$



2/22/24 FAQs

- In FAQs dated 2/22/24, HUD determined that certain HOTMA 102/104 changes are not dependent on transitioning to the HIP system and PHAs may implement them before HIP is in place
- This is optional



2/22/24 FAQs

- **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**

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2/22/24 FAQs

- **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**

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PIH HOTMA 102/104 Resources

PIH HOTMA resources

- https://www.hud.gov/program_offices/public_indian_housing/hotmaresources

HUD Exchange HOTMA resources

- <https://www.hudexchange.info/programs/hotma/>

Dedicated HOTMA email address

- HOTMAquestions@HUD.gov

HIP webpage

- https://www.hud.gov/program_offices/public_indian_housing/hip

HOTMA resources

- www.nanmckay.com/HOTMA



HOTMA Voucher Final Rule

- **Final Rule: *HOTMA HCV and PBV Implementation: Additional Streamlining Changes***
 - Released in the *Federal Register* 5/7/24
 - Compliance date for most of the notice is 6/6/24, but some provisions are effective 9/4/24, 12/3/24, 6/6/25, or are delayed indefinitely



HQS and NSPIRE

- The HQS inspection protocol sunsets 10/1/25
 - Deadline of 10/1/24 was postponed
- The National Standards for the Physical Inspection of Real Estate (NSPIRE) will be the inspection protocol for HCV
- However, the regulations on inspection administration will continue to use the term *HQS* not *NSPIRE*



HQS and NSPIRE

- HUD defines housing quality standards (HQS) as:
 - The minimum quality standards developed by HUD in accordance with 24 CFR 5.703 (NSPIRE) for the HCV program, including any variations approved by HUD for the PHA
- In other words, “HQS” is a general umbrella term meaning the applicable inspection standards for HCV plus any HUD-approved variations

