OFFICIAL NOTICE TO PARTICIPANTS

Housing Opportunity Through Modernization Act (HOTMA) — Implementation Status (Housing Choice Voucher Program)

PHA Name:	**Date:**
Participant Name:	**Unit Address:**

Dear Participant,

This notice informs you of important changes to federal housing law and explains how those changes affect your household's annual and interim reexaminations. Please read this notice carefully, sign the acknowledgment at the bottom, and return the signed copy to our office.

About HOTMA — What Changed and What It Means for You

On February 14, 2023, HUD issued a Final Rule implementing Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) as they apply to the Housing Choice Voucher (HCV) program. HOTMA makes important improvements to federal housing assistance programs that benefit participants and reduce administrative burden. The key changes are summarized below.

Change	What It Means for Your Household
Fewer interim reexaminations	A 10% income threshold now applies before an interim reexamination is required. In most cases, earned income increases are not processed until your next annual reexamination, so you can keep more of your earnings before seeing a rent increase.
Consent form signed once	Adult household members now sign the required consent form only once — not every year at reexamination. This reduces paperwork for your household.
Income from other benefit programs	If your household receives income that has already been verified under another federal benefits program, your PHA may use that determination (Safe Harbor) rather than collecting new documentation from you.
No EIV review at interim reexaminations	Your PHA is no longer required to run an EIV income verification check when processing an interim reexamination, reducing delays for households reporting income changes.
Higher deductions	The standard deduction for elderly and disabled households has been increased, and the threshold for claiming medical and disability expenses has increased from 3% to 10% of annual income.
Higher asset threshold	The threshold above which asset income is imputed has increased to $54,898 for 2027, effective January 1, 2027 and adjusted annually by HUD. If your net assets are $54,898 or less, you may be able to self-certify your assets rather than providing third-party documentation.
Retirement and education accounts excluded	Retirement accounts (such as 401(k)s and IRAs) and educational savings accounts are no longer counted as net family assets. You will no longer need to report or document these accounts.
Additional income exclusions	New exclusions apply to certain Medicaid payments, veterans' aide and attendant care, and distributions of principal from non-revocable trusts including Special Needs Trusts.
Hardship relief	If you are unable to pay your rent because of unexpected medical expenses or the loss of a childcare expense deduction, you may request hardship relief from our office.

Implementation Status — What This Means for Your Next Reexamination

Sections 102 and 104 of HOTMA are mandatory federal requirements for the Housing Choice Voucher program. HUD Notice PIH 2026-15 requires HOTMA-compliant HUD-50058 transactions for applicable PHAs with effective dates on or after January 1, 2027. This section is provided for tenant information and explains what has already been implemented, what remains pending, and what you can expect at your next annual or interim reexamination.

Note: Section 103 of HOTMA (Public Housing over-income limits) does not apply to the Housing Choice Voucher program. Section 103 applies only to the Public Housing program and is not addressed in this notice.

Status Area	Tenant Information
Already implemented	The PHA has implemented the HOTMA provisions that took effect before full system implementation, including updated income exclusions, revised income and asset definitions, and the de minimis error policy. Your household may see these changes reflected in current forms, verification requests, and rent calculations where applicable.
Still pending until full implementation	Some HOTMA Sections 102 and 104 requirements remain pending until the PHA completes full implementation and system reporting updates. These may include the full interim reexamination rules, Safe Harbor income determinations, updated asset limitation procedures, and other reporting changes required for HOTMA-compliant HUD-50058 submissions.
Effective January 1, 2027	For reexaminations and other HUD-50058 transactions with an effective date of January 1, 2027 or later, the PHA must process the action using HOTMA-compliant policies and procedures, unless HUD issues different instructions that apply to the PHA.
Your next reexamination	At your next annual or interim reexamination, the PHA will tell you which HOTMA rules apply to your household, what information you must report, and what documents are needed. If your reexamination is effective before January 1, 2027, some current pre-HOTMA procedures may still apply. If your reexamination is effective on or after January 1, 2027, the PHA will apply the full HOTMA-compliant procedures required by HUD.

PARTICIPANT ACKNOWLEDGMENT

I/We have received, read, and understand this notice regarding HOTMA and its effect on my/our household's reexaminations.

I/We understand that some HOTMA provisions have already been implemented, that additional requirements may take effect with full implementation no later than January 1, 2027, and that the PHA will explain what applies to my/our household at the next annual or interim reexamination.

Head of Household Signature: ______________________________ Date: _______________

Printed Name: ______________________________

Additional Household Member: ______________________________ Date: _______________

Additional Household Member: ______________________________ Date: _______________

PHA Representative: ______________________________ Date: _______________

Please retain a copy of this signed notice for your records.

Questions and Additional Information

If you have questions about this notice or about how HOTMA changes affect your household, please contact our office.

Contact: ______________________ Phone: ______________________

Email: ______________________

STAFF REFERENCE — HOTMA Summary (Housing Choice Voucher Program)

Do not distribute to participants — for PHA staff use only

Section 102 — Income Reviews

HOTMA creates a 10% adjusted income increase/decrease threshold for interim reexaminations and, in most cases, requires that earned income increases are not processed until the next annual reexamination. Additional provisions include: consent form signed once (not annually); use of income determinations from other federal programs (Safe Harbor); EIV review no longer required at interim reexaminations; increased elderly/disabled deduction; increased medical/disability expense threshold (3% to 10%, phased in over two years); higher imputed asset threshold ($5,000 to $54,898 — 2027 figure, effective January 1, 2027 and adjusted annually by HUD); additional income exclusions (Medicaid, veterans' aide/attendant care, Special Needs Trust distributions); and hardship relief for medical and childcare deductions.

Section 103 — Public Housing Income Limit (NOT APPLICABLE)

Section 103 applies only to the Public Housing program. The Housing Choice Voucher program is not subject to Section 103's over-income limits, notice requirements, or annual reporting requirements. Do not use the Public Housing over-income notice or NPHOI templates for HCV participants.

Section 104 — Asset Limits

HOTMA imposes an asset limitation for eligibility and continued assistance (currently $109,797 for 2027, effective January 1, 2027 and adjusted annually by HUD per CPI-W). Families are also ineligible if they own real property suitable for occupancy. Retirement and educational savings accounts are excluded from net family assets. Self-certification of assets is permitted when net assets are at or below $54,898 (2027 figure, adjusted annually). PHAs have options for how and when to enforce the asset limitation for existing families at reexamination — this election must be documented in the Administrative Plan.

Implementation Timeline (Housing Choice Voucher Program)

HOTMA Final Rule effective: February 14, 2023. Original HCV compliance date: January 1, 2025. Extended to July 1, 2025 for specified income provisions (Notice PIH 2024-38), with full Section 102/104 compliance now required no later than January 1, 2027 (Notice PIH 2026-15). PHAs operating under the delay must continue using pre-HOTMA policies until their elected implementation date and must notify participants in writing before HOTMA changes take effect, consistent with PIC/HIP and HUD-50058 system readiness.

2027 HUD Inflation-Adjusted Figures

Dependent deduction: $525 | Elderly/disabled family deduction: $575 | Asset self-certification threshold: $54,898 | Asset limitation: $109,797 | Passbook savings rate: 0.38% | Full-time student earned income exclusion: $525 | Adoption assistance payment exclusion: $525 | De minimis error: $30 (fixed by rule) | Medical/attendant-care threshold: 10% of annual income (fixed by rule). These 2027 amounts are effective January 1, 2027 for programs that have implemented HOTMA Sections 102 and 104. Update annually when HUD publishes the new Inflation-Adjusted Values table.