OFFICIAL NOTICE TO RESIDENTS

Housing Opportunity Through Modernization Act (HOTMA) — Implementation Status
(Public Housing)

PHA / Agency Name: _____	**Date:** _____
Resident Name: _____	**Unit Address:** _____

Dear Resident,

This notice tells you about important changes to federal housing rules and how they affect your household's annual and interim reexaminations. Please read it carefully, sign the acknowledgment, and return the signed copy to our office.

About HOTMA — What Changed and What It Means for You

On February 14, 2023, HUD published a Final Rule implementing Sections 102, 103, and 104 of the Housing Opportunity Through Modernization Act of 2016 (HOTMA). HOTMA makes improvements to federal housing assistance that benefit residents and reduce administrative burden. The key changes are below.

Change	What it means for your household
Interim reexaminations	The Housing Authority must generally process an interim reexamination when your household's annual adjusted income **increases by 10% or more** (increases in earned income are generally not counted toward this 10%), and whenever a person is **added to or removed from your household**. If your income **decreases**, you may report it. Our policy sets how large a decrease must be for an interim reexamination (10% or a lower percentage).
Consent form signed once	Adult household members now sign the required HUD consent form (Form HUD-9886-A) once. It stays in effect until assistance ends or you revoke it in writing. If you revoke it, the Housing Authority will explain what that means for your assistance.
Income from other benefit programs	If your household receives income that has already been verified under another federal benefit program, the Housing Authority **may choose** to use that determination (called "Safe Harbor") instead of collecting new documents from you. Each agency decides whether and when to use it.
EIV at interim reexaminations	HUD no longer requires an EIV income check when processing an interim reexamination. The Housing Authority may still choose to use EIV.
Deductions	The elderly/disabled family deduction and the dependent deduction are adjusted each year by HUD (2027: $575 and $525). Health and medical care and attendant care expenses are deducted only when they exceed **10%** of annual income (it was 3%). Families who were already receiving this deduction may qualify for a phased-in transition (5%, then 7.5%, then 10%). Ask us whether this applies to you.
Asset limit and real property	A family may not be admitted if its net family assets exceed **$109,797** (the 2027 amount, adjusted yearly) or if a member owns real property suitable for the family to live in, with some exceptions. For families **already receiving assistance**, the Housing Authority's written policy decides how and when this applies, and you will be told in writing before it affects your assistance.
Higher asset threshold for self-certification	If your net family assets are **$54,898 or less** (the 2027 amount, adjusted yearly), the Housing Authority may accept your signed statement of your assets instead of third-party documents, if its policy allows. Full third-party verification is still required at least every 3 years.
Retirement and education accounts	Retirement accounts (such as 401(k)s and IRAs) and educational savings accounts are no longer counted as net family assets.
Additional income exclusions	New exclusions apply to certain Medicaid payments, veterans' aid and attendance and attendant care payments, and distributions of principal from non-revocable trusts, including Special Needs Trusts.

Change	What it means for your household
Hardship relief	If you cannot pay your rent because of the new rules on health and medical care, attendant care, or childcare expense deductions, you may request hardship relief from our office.

Public Housing Over-Income Policy — What This Means for You

Section 103 of HOTMA applies to Public Housing families whose income is above the over-income limit (120% of area median income). It does not apply to Housing Choice Voucher participants. If your household is found to be over income at an annual or interim reexamination, the agency will give you written notice (within 30 days) and will begin or continue tracking a 24-month over-income period. HUD requires a notice at the first over-income determination and again at the 12-month and 24-month determinations.

Agency selection: the agency must check the policy it has adopted for families who remain over income after 24 consecutive months.

☐ **A.** _____ has adopted a policy that allows over-income Public Housing families to stay in the unit after the 24-month period if the family signs the required over-income (non-public housing) lease and pays the applicable alternative rent. Effective _____

☐ **B.** _____ has adopted a policy that does not allow over-income Public Housing families to stay after the 24-month period. If a family remains over income for 24 consecutive months, the agency will terminate tenancy within six months, following the agency's adopted policy. Effective _____

What to expect at your next reexamination: if your income is above the over-income limit, the agency will tell you in writing, explain when the 24-month period begins or continues, and describe next steps under the selected policy.

Implementation Status — When HOTMA Rules Apply to Your Reexamination

Sections 102 and 104 of HOTMA are federal requirements for Public Housing. Some changes (updated income exclusions and definitions, the de minimis error rules, and the new consent form) are already in effect. HUD will enforce the remaining Section 102 and 104 changes for reexaminations and other transactions with an effective date on or after the date below (HUD Notice PIH 2026-15).

☐ This agency's HOTMA date is **January 1, 2027**. Reexaminations effective on or after that date will follow the full HOTMA rules.

☐ This agency participates in HUD's Moving to Work (MTW) demonstration or uses HUD's Family Reporting Software. HUD has not announced our HOTMA date yet. We will notify you in writing before the remaining changes affect your rent or assistance.

RESIDENT ACKNOWLEDGMENT

I/We have received, read, and understand this notice about HOTMA and its effect on my/our household's reexaminations. I/We understand that HOTMA changes will be applied on the timeline described above, and that I/we will be notified in writing before any change affects my/our rent or assistance.

Head of Household Signature: _____ Date: _____

Printed Name: _____

Additional Household Member: _____ Date: _____

Additional Household Member: _____ Date: _____

Agency Representative: _____ Date: _____

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

Questions and additional information

If you have questions about this notice or how HOTMA affects your household, please contact our office. Contact: _____ Phone: _____ Email: _____

STAFF REFERENCE — HOTMA Summary (Public Housing)

Do not distribute to residents — for PHA staff use only

Section 102 — Income Reviews

10% adjusted income **increase** threshold for interim reexaminations (fixed by HUD; increases in earned income are generally not counted); an interim for **every household member added or removed**, whether income rises, falls, or stays the same (PIH 2026-09); a PHA-chosen decrease percentage (10% or lower, stated as a percentage). Other provisions: consent form signed once; Safe Harbor is optional and the PHA decides when to use it (admission, annual, interim, or any combination); EIV not required at interim reexaminations; deduction amounts adjusted annually; health and medical expenses deductible above 10% of annual income with phased-in relief (5%, 7.5%, then 10%) for eligible families (HUD is changing the eligibility date; see HUD's Sept. 29, 2026 FAQ, Q3); new income exclusions; hardship relief for medical and childcare deductions.

Section 103 — Public Housing Income Limit

Families whose income exceeds the over-income limit (**120% of area median income**, 2.4 times the very low-income limit) for **24 consecutive months** are subject to the agency's over-income policy: the PHA must either **terminate tenancy within six months** or charge the family the alternative non-public housing rent (NPHOI). PHAs must send written notice within 30 days of the first over-income determination and of the 12-month and 24-month determinations, and report over-income family and waiting list data annually (HUD has set March 31). Section 103 follows its own HUD guidance (PIH 2023-03) and is separate from the January 1, 2027 Section 102/104 date.

Section 104 — Asset Limits

HUD imposes an asset limitation for eligibility and continued assistance (2027: **$109,797**, adjusted annually by HUD per CPI-W). Families are also ineligible if they own real property suitable for occupancy that they have the legal right and authority to sell. At **admission** HUD gives no discretion. For **existing families**, the PHA chooses total non-enforcement, total enforcement (termination may be delayed up to 6 months), or limited enforcement with a cure period of up to 6 months, plus an optional exception policy. Document the election in the ACOP. Self-certification of assets is a PHA policy decision at admission and at reexamination, permitted when net assets are at or below $54,898 (2027). If accepted at reexamination, obtain third-party verification of all assets at least every 3 years (24 CFR 960.259(c)(2)). Retirement and educational savings accounts are excluded from net family assets.

Implementation Timeline

HUD final rule published February 14, 2023; it set January 1, 2024 for the income and asset revisions. **Jan. 1, 2024:** no new Earned Income Disregard enrollment. **Feb. 1, 2025:** Form HUD-9886-A. **July 1, 2025:** new income exclusions and definitions, de minimis errors (PIH 2024-38). **Apr. 13, 2026:** PIH 2026-09 revises the interim standard. **May 14, 2026:** PIH 2026-15 sets **January 1, 2027** for the remaining Section 102/104 provisions for most PHAs. MTW (initial and Expansion) and FRS-only agencies are exempt from that date; HUD has not announced theirs, and the MTW exemption is agency-wide (HUD FAQ, Sept. 29, 2026). Agencies starting annual reexams 120 days ahead should have begun collecting and verifying income under their HOTMA policies in September 2026.

2027 HUD Inflation-Adjusted Figures

Dependent deduction: $525 | **Elderly/disabled family deduction:** $575 | **Asset self-certification / imputed-income 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 per month (fixed by rule) | **Medical/attendant-care threshold:** 10% of annual income (fixed by rule). Update annually when HUD publishes the new inflation-adjusted values table.