OFFICIAL NOTICE TO RESIDENTS

Housing Opportunity Through Modernization Act (HOTMA) — Implementation Status
(Section 8 PBRA / Multifamily)

Owner/Agent Name:	**Date:**
Resident Name:	**Unit Address:**

Dear Resident,

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 Section 8 Project-Based Rental Assistance (PBRA) and other Multifamily Housing programs. HOTMA makes important improvements to federal housing assistance programs that benefit residents 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 Owner/Agent may use that determination (Safe Harbor) rather than collecting new documentation from you.
No EIV review at interim reexaminations	Your Owner/Agent 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 from $5,000 to $54,898 (the current 2027 HUD-published figure, effective January 1, 2027 and adjusted annually). 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 this Section 8 PBRA / Multifamily property. The timeline below explains which changes are already in effect, which changes will be implemented January 1, and what you can expect at your next annual or interim reexamination.

Note: Section 103 of HOTMA applies only to the Public Housing program and does not apply to this Section 8 PBRA / Multifamily property.

Timing	What This Means for Your Household
Already in effect	Certain HOTMA changes are already being applied, including updated income exclusions, revised definitions, and the de minimis error policy. These changes may affect how income, assets, deductions, and corrections are reviewed when your household information is processed.
Beginning January 1	For income certifications effective on or after January 1, remaining HOTMA Sections 102 and 104 requirements will be implemented, subject to HUD and system readiness requirements. This includes updated rules for income reviews, deductions, consent forms, interim reexaminations, asset verification, and asset limits.
At your next reexamination	At your next annual or interim reexamination, you may be asked to answer updated income and asset questions, sign or confirm required consent forms, provide documentation under the updated verification rules, and review deductions or hardship relief that may apply to your household. We will explain any requested information and notify you in writing before changes affect your rent or assistance.

RESIDENT 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 HOTMA changes may be applied according to 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: _______________

Owner/Agent 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 (Multifamily / Section 8 PBRA)

Do not distribute to residents — for Owner/Agent 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 — current 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. This Section 8 PBRA / Multifamily property 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 this property.

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). Owners have options for how and when to enforce the asset limitation for existing families at reexamination — this election must be documented in the Tenant Selection Plan.

Implementation Timeline (Multifamily / Section 8 PBRA)

HOTMA Final Rule effective: February 14, 2023. Original Multifamily compliance date: January 1, 2025. Extended to July 1, 2025 (Notice H 2024-09), then to January 1, 2026, then to January 1, 2027 for income certifications effective on or after that date (Notice H 2025-07). Owners operating under the delay must continue using pre-HOTMA policies until their elected implementation date and must notify residents in writing before HOTMA changes take effect, consistent with TRACS/HUD-50059 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). Update annually when HUD publishes the new Inflation-Adjusted Values table.