# OFFICIAL NOTICE TO PARTICIPANTS

Housing Opportunity Through Modernization Act (HOTMA) — Implementation Status
(Housing Choice Voucher and Project-Based Voucher Programs)

| | |
|---|---|
| **PHA Name:** _____ | **Date:** _____ |
| **Participant Name:** _____ | **Unit Address:** _____ |

Dear Participant,

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

HUD's HOTMA rules (Sections 102 and 104) change how income, assets, and deductions are reviewed in the Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) programs. HOTMA makes improvements to federal housing assistance that benefit participants and reduce administrative burden. The key changes are below.

| Change | What it means for your household |
|---|---|
| **Interim reexaminations** | The PHA 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 PHA 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 PHA **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 PHA 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 PHA'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 PHA 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. |

## Implementation Status — When HOTMA Rules Apply to Your Reexamination

Sections 102 and 104 of HOTMA are federal requirements for the HCV and PBV programs. The table explains what is already in effect and what to expect at your next reexamination. Section 103 of HOTMA (Public Housing over-income limits) does not apply to the HCV or PBV programs.

| Status | What it means for you |
|---|---|
| **Already in effect** | Updated income exclusions and definitions, the de minimis error policy, and Form HUD-9886-A. You may see these in current forms, verification requests, and rent calculations. |
| **January 1, 2027** | HUD will enforce the remaining HOTMA changes for reexaminations and other Form HUD-50058 transactions effective on or after January 1, 2027 (HUD Notice PIH 2026-15). These include the asset limit and self-certification rules, deductions and hardship relief, Safe Harbor, and the interim reexamination rules. |
| **Moving to Work and FRS-only agencies** | DATE PENDING If this agency participates in MTW or uses HUD's Family Reporting Software, HUD has not announced our date. We will notify you in writing before the remaining changes affect your rent or assistance. |
| **Your next reexamination** | We will tell you which HOTMA rules apply to your household, what you must report, and which documents we need. If your reexamination is effective before our HOTMA date, some current procedures may still apply. If it is effective on or after that date, we will apply the full HOTMA rules. |

☐ This agency's HOTMA date is **January 1, 2027**. ☐ This agency's HOTMA date is pending (MTW / FRS-only).

## PARTICIPANT 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: _____

PHA 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 (HCV / PBV)

Do not distribute to participants — 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 (NOT APPLICABLE)

Section 103 applies only to the Public Housing program. HCV and PBV are not subject to its over-income limits, notice requirements, or annual reporting. Do not use the Public Housing over-income notice or NPHOI templates for HCV or PBV participants.

### 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 Administrative Plan. 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 982.516(a)(3)). 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. **Feb. 1, 2025:** Form HUD-9886-A. **July 1, 2025:** 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, including PBV. MTW and FRS-only agencies are exempt from that date and HUD has not announced theirs. RAD PBV follows the PBV rules (HUD's notices do not address RAD separately; confirm with your HUD RAD transaction manager).

### 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.