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 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 Section 8 Project-Based Rental Assistance (PBRA) and other Multifamily Housing programs. 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 Owner/Agent 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 Owner/Agent 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 Owner/Agent **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 Owner/Agent 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 Owner/Agent'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 Owner/Agent 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 Section 8 PBRA and other Multifamily properties, as HUD applies them to each program. Section 103 of HOTMA applies only to Public Housing and does not apply to this property.

Timing	What it means for you
Already in effect	Some HOTMA changes are already being applied, including updated income exclusions, revised definitions, and the de minimis error policy. They may affect how income, assets, deductions, and corrections are reviewed.
January 1, 2027	For income certifications effective on or after January 1, 2027, the remaining HOTMA Section 102 and 104 requirements will be implemented (HUD Notice H 2025-07). This includes updated rules for income reviews, deductions, consent forms, interim reexaminations, asset verification, and asset limits where they apply to your property.
At your next reexamination	You may be asked updated income and asset questions, to sign or confirm required consent forms, to provide documents under the updated verification rules, and to review deductions or hardship relief that may apply. We will explain what we need and notify you in writing before 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: _____

Owner/Agent 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 (Section 8 PBRA / Multifamily)

Do not distribute to residents — for Owner/Agent 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 (confirm Multifamily guidance); a Owner/Agent-chosen decrease percentage (10% or lower, stated as a percentage). Other provisions: consent form signed once; Safe Harbor is optional and the Owner/Agent 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; new income exclusions; hardship relief for medical and childcare deductions.

Section 103 — Public Housing Income Limit (NOT APPLICABLE)

Section 103 applies only to Public Housing. This property is 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 this property.

Section 104 — Asset Limits

HUD imposes an asset limitation for eligibility and continued assistance for Section 8 PBRA (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. Owners have options for how and when to enforce the limitation for existing families at reexamination; document the election in the Tenant Selection Plan. Self-certification of assets is permitted when net assets are at or below $54,898 (2027). Retirement and educational savings accounts are excluded from net family assets. **Confirm with HUD Multifamily** which Multifamily programs besides Section 8 PBRA (for example Section 202 and 811) are subject to the asset limitation. HUD's notices for those programs should control.

Implementation Timeline

HUD final rule published February 14, 2023. Multifamily compliance dates: H 2023-10 (original joint guidance); **H 2024-09** (Sept. 20, 2024) moved the date from January 1, 2025 to **July 1, 2025**; **H 2025-03** extended to January 1, 2026; **H 2025-07** (published Dec. 30, 2025) extended to **January 1, 2027** for income certifications effective on or after that date. Owners operating under the extension continue their current procedures until fully compliant and must notify residents in writing before HOTMA changes take effect, consistent with TRACS/HUD-50059 readiness. RAD PBRA projects follow the PBRA rules (RAD Notice Rev-4, Sec. 1.2.B); confirm how H 2025-07 applies with your HUD Multifamily contact.

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.