

# HOTMA Policy Supplement

## Overview

While full compliance with HOTMA is mandatory by January 1, 2025, PHAs select a HOTMA compliance date sometime in 2024 on which to begin fully applying all HOTMA provisions to their programs. All transactions with an effective date on or after that date must follow HOTMA regulations and the PHA's updated policies.

While the majority of HOTMA provisions cannot be implemented until the Housing Information Portal (HIP) and the PHA's software is ready, HUD encourages PHAs to implement certain specific provisions of HOTMA that do not require HIP implementation irrespective of the PHA's HOTMA compliance date. HUD described which provisions of HOTMA may be implemented early in FAQs published February 22, 2024. **All other provisions of HOTMA are not applicable until the PHA's HOTMA compliance date.**

The following details discretionary policies which HUD allows PHAs to implement prior to their HOTMA compliance date. Early adoption of such policies is optional. The PHA may adopt some, all, or none of the policies listed below prior to their HOTMA compliance date.

(Note: Although HUD's 2/22/24 FAQs list Zero Income Reviews (as described in Section J.8 of revised Notice PIH 2023-27) as an area where PHAs may adopt HOTMA policies prior to the PHA's implementation date, HOTMA did not make any significant changes in this area. The PHA may continue to use their current zero income policies. Therefore, no policy decision point has been listed below.)

## Instructions

For each topic listed below, indicate whether the PHA will implement the policy prior to the PHA's HOTMA compliance date:

- If the PHA will not implement a policy prior to their compliance date, check "PHA's HOTMA compliance date" below. **No other action is required.**
- If the PHA will implement a policy prior to the PHA's HOTMA compliance date, indicate the date on which the policy will be effective in the blank provided. All transactions on or after the date indicated will follow the policy. In this case, **insert the PHA's policy below under "PHA Policy"**.

# PHA HOTMA Policies

## I. Earned Income Disallowance (EID)

Since HOTMA removed the statutory authority for the EID as of January 1, 2024, regardless of the PHA's HOTMA compliance date, the PHA must not enroll any new families in the EID. This is mandatory. The EID is only available to families that were eligible for and participating on the program as of December 31, 2023, or before; no new families are to be added on or after January 1, 2024. If a family was receiving the EID prior to or on December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. PHA policies governing the EID are applicable only to such families.

**Discretion:** None

**Implementation date:** January 1, 2024

## II. Form HUD-9886-A

Section J.1 of Notice PIH 2023-27 provides that PHAs were able to begin having families sign the new HUD-9886-A on January 1, 2024. While the PHA is not required to update its policies to begin using the new Form HUD-9886-A, the new form refers to the family's ability to revoke consent with respect to the PHA's ability to access financial records from financial institutions, unless the PHA establishes policies that revocation of consent will result in a denial of admission or termination of assistance. As such, if the PHA will begin using the new Form HUD-9886-A prior to the PHA's compliance date and adoption of such policy, the PHA should also implement policies governing revocation of consent at the same time.

**Implementation date (select one):**

PHA's HOTMA compliance date

Other (insert date): June 1, 2024

## PHA Policy

*The PHA has established a policy that revocation of consent to access financial records will result in denial of admission or continuation of program participation.*

*Family members turning 18 years of age between annual recertifications will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886 at the family's next annual or interim reexamination, whichever is earlier.*

*Penalties for Failing to Consent* The PHA has established a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance in accordance with PHA policy.

*In order for a family to revoke their consent, the family must provide written notice to the PHA.*

*Within 10 business days of the date the family provides written notice, the PHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, the PHA will notify their local HUD office.*

### **III. Safe Harbor Income Determinations**

Section J.4 of Notice PIH 2023-27 allows PHAs to use income determinations from other means-tested federal public assistance programs to verify annual income. These are known as Safe Harbor income determinations. PHAs that choose to adopt this policy before migrating to HIP must list the annual income from the other program's determination in Section 7 of the HUD-50058 for the head of household using the "Other Non-Wage Sources" income code.

**Implementation date** (select one):

PHA's HOTMA compliance date

Other (insert date): June 1, 2024

#### **PHA Policy**

*When available and applicable, the PHA will accept other programs' Safe Harbor determinations of income at annual reexamination to determine the family's total annual income. The PHA will still require third-party verification of all deductions such as the health and medical care expense or child care expense deductions. Further, if the family is eligible for and claims the disability assistance expense or child care expense deductions, where applicable, the PHA will obtain third-party verification of the amount of employment income of the individual(s) enabled to work in order to cap the respective expenses as required.*

*Prior to using any Safe Harbor determination from another program, the PHA will ask the family if they agree with the income amounts listed. If the family disputes the income amounts on the Safe Harbor determination, the PHA will obtain third-party verification of all sources of income and assets (as applicable).*

*The PHA will not accept other programs' determinations of income for any new admission or interim reexamination.*

*With the exception of income determinations made under the Low-Income Housing Tax Credit (LIHTC) program, the PHA will accept Safe Harbor determinations from any of the programs listed above.*

***In order to be acceptable, the income determination must:***

***Be dated within 12 months of the dates listed above;***

***State the family size.***

***Be for the entire family (i.e., the family members listed in the documentation must match the family's composition in the assisted unit, except for household members);  
and***

***Must state the amount of the family's annual income.***

***The determination need not list each source of income individually. If the PHA does not receive any acceptable income determination documentation or is unable to obtain documentation, then the PHA will revert to third-party verification of income for the family.***

***When families present multiple verifications from the same or different acceptable Safe Harbor programs, the PHA will use the most recent income determination, unless the family presents acceptable evidence that the PHA should consider an alternative verification from a different Safe Harbor source.***

***When the PHA uses a Safe Harbor income determination from another program, and the family's income subsequently changes, the family is required to report the change to the PHA. Depending on when the change occurred, the change may or may not impact the PHA's calculation of the family's total annual income. Changes that occur between the time the PHA receives the Safe Harbor documentation, and the effective date of the family's annual reexam will not be considered. If the family has a change in income that occurs after the annual reexam effective date, the PHA will conduct an interim reexam if the change meets the requirements for performing an interim reexamination as outlined in Chapter 11. In this case, the PHA will use third-party verification to verify the change.***

#### **Verification Dated within 120 Days**

Section J.5 of Notice PIH 2023-27 contains updated the guidance for Level 4 documentation (Written Third-Party Verification) to include an original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA, rather than 60 days as is currently required.

**Implementation date (select one):**

PHA's HOTMA compliance date

Other (insert date): June 1, 2024

#### **PHA Policy**

***In general, third-party documents provided by the family or the source must be dated within 120 days of the date received by the PHA.***

#### **IV. Verification of Fixed Income Sources**

In accordance with Section J.5 of Notice PIH 2023-27, PHAs may accept a statement dated within the appropriate benefit year for fixed income sources.

**Implementation date** (select one):

PHA's HOTMA compliance date

Other (insert date): June 1, 2024

#### **PHA Policy**

*However, for fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.*

#### **V. Verification of Social Security Numbers (SSN)**

Section J.6 of Notice PIH 2023-27, HUD noted that it is adjusting what HUD considers acceptable documentation of SSN under 24 CFR 5.216(g)(1). PHAs have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available.

PHA's HOTMA compliance date

Other (insert date): June 1, 2024

#### **PHA Policy**

*The PHA will only accept the following documentation as acceptable evidence of the social security number:*

- *An original SSN card issued by the Social Security Administration (SSA)*
- *An original SSA-issued document, which contains the name and SSN of the individual.*
- *An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.*

