

## HOTMA Changes Crosswalk (March 2024)

Item	Former Rule	HOTMA Rule	New Reference
<b>Assets</b>			
529 accounts	Not addressed in past rules.	Both the income and value are excluded from income and assets.	24 CFR 5.609(b)(10) & 5.603 definition "Net Family Assets" (6)
ABLE accounts	Not addressed in past rules.	Both the income and value are excluded from income and assets.	24 CFR 5.603 definition "Net Family Assets" (6)
"Baby bond" accounts	Not addressed in past rules.	Both the income and value are excluded from income and assets.	24 CFR 5.609(b)(10)
Checking balance	6-month average	Current balance	Notice H 2023-10 - J.5.a
Coverdell education Section 530 savings accounts	Not addressed in past rules.	Both the income and value are excluded from income and assets.	24 CFR 5.609(b)(10) & 5.603 definition "Net Family Assets" (6)
FSS accounts (public housing Self Sufficiency Accounts)	Not addressed in past rules.	Both the income and value are excluded from income and assets.	24 CFR 5.609(b)(27) & 5.603 definition "Net Family Assets" (10)
Imputed asset income	If total net assets exceeded \$5,000, imputed asset income was calculated on total household net assets using the passbook savings rate (2%, then adjusted to .06% in 2016). The greater of actual or imputed asset income for all assets was counted.	If total net assets exceed \$50,000 (as adjusted annually), imputed asset income is calculated on assets that cannot otherwise have income determined using the passbook savings rate (.4% in 2024, then adjusted annually by FDIC average passbook savings rate).	24 CFR 5.609(a)(2) Notice H 2023-10 – F.5
Personal property	Excluded from assets unless the property is being held as an investment. Did not include financial accounts.	Includes all assets that are not real property. Includes financial accounts (checking, savings, etc). Personal property is broken up into two categories: <ul style="list-style-type: none"> <li>• <b>Necessary personal property.</b> <ul style="list-style-type: none"> <li>○ These are excluded as assets.</li> </ul> </li> <li>• <b>Non-necessary personal property.</b> <ul style="list-style-type: none"> <li>○ <b>If total is over \$50,000 (as adjusted)</b>, all items of non-necessary property values and incomes are counted.</li> <li>○ <b>If total is \$50,000 (as adjusted) or lower</b>, all items of non-necessary personal property are assigned \$0 values, but income is counted.</li> </ul> </li> </ul>	24 CFR 5.609 (b)(4)-(4) Notice H 2023-10 – F.4.c

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PASS (Plan to Achieve Self Sufficiency SSI accounts)	Not addressed in past rules.	The income is excluded from income.	24 CFR 5.609(b)(12)(i)
Retirement accounts	Retirement accounts were counted as assets with asset income until the owner of the account began to make periodic withdrawals. Then the withdrawals were counted as income and the value of the account was ignored as an asset.	Accounts recognized as retirement accounts by the IRS are never counted as assets. Once the owner of the account began to make periodic withdrawals, the withdrawals are counted as income and the value of the account continues to be ignored as an asset.	24 CFR 5.609(b)(26) Notice H 2023-10 – Example F3
Tax returns	Tax returns were not excluded from asset values.	Excluded from <b>total net family assets</b> for 12 months from the time the return was received. This is verified if net family assets exceed \$50,000. <b>[amended by HUD Feb. 2024]</b>	24 CFR 5.603 Notice H 2023-10 – F.4.e
Trust accounts	There were different rules for different types of trusts and different Offices of HUD (inheritance trusts, special needs trusts, etc). HUD PIH considered all distributions of principal or income earned on the principal as income unless the distribution qualified as an income exclusion. HUD MFH considered how the trust was funded, whether the distribution was from trust income or principal, and whether any distribution from trust income met an existing income exclusion.	All trusts are handled consistently. <ul style="list-style-type: none"> <li>• <b>If a trust is not in control of the family, it is not an asset to the household. This could include a nonrevocable trust or a trust that is revocable but that is only accessible by someone outside the household.</b> <ul style="list-style-type: none"> <li>○ <b>If distributions are being received</b>, the distribution of income from the trust is counted as income (but not distributions that come from the principle of the trust), with an exception for amounts received for the health and medical expenses for a minor child.</li> </ul> </li> <li>• <b>If a trust is in control of the family:</b> <ul style="list-style-type: none"> <li>○ Income is counted as the income generated by the trust and any distributions are not income.</li> </ul> </li> </ul>	24 CFR 5.603 24 CFR 5.609 Notice H 2023-10 – F.4.d Notice H 2023-10–Table F2
<b>Household Members</b>			
Foster children and adults	HUD MFH included foster members and their income. HUD PIH excluded them but allowed them bedrooms for occupancy standards. For HUD programs, child-care expenses were	For all programs, foster members in a unit are now part of the “household” (occupants of a unit) but not the “family” (those who are counted toward income limit and who have their income counted). For HUD programs, childcare expenses are allowed to be deducted for foster children under age 13 if the	24 CFR 5.603 24 CFR § 5.609(b)(8) Notice H 2023-10 – E.2 Notice H 2023-10 – C.5

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	allowed to be deducted for foster children under age 13.	expenses allow a family member to work, look for work, or attend school. The definitions of foster child and foster adult are based on state law.	
<b>Income</b>			
Alimony (and Child support)	Full court-ordered amounts were counted unless the full amount was not being received and the household took reasonable efforts to collect with court or agency.	Only amounts received are counted, regardless of amounts the household is entitled to.	24 CFR 5.609(a)(1) Notice H 2023-10 - F.1
Adoption assistance payment limitation.	Adoption assistance income was limited to \$480 for each adopted child.	Adoption assistance is limited to HUD's dependent deduction per child (\$480 in 2024 but adjusted annually for inflation thereafter, rounded to the next lowest \$25).	24 CFR 5.609(b)(15) Notice H 2023-10 – G.9
Adult dependent earned income limitation	Earned income for adult dependent full-time students was limited to \$480 per year.	Earned income for adult dependent full-time students is limited to HUD's dependent deduction per year (\$480 in 2024 but adjusted annually for inflation thereafter, rounded to next lowest \$25).	24 CFR 5.609(b)(3) Notice H 2023-10 – G.8 Notice H 2023-10 – Table H1
Child support (and alimony)	Court-ordered amounts were counted unless the full amount was not being received and the household took reasonable efforts to collect with court or agency.	Only amounts received are counted, regardless of amounts the household is entitled to.	24 CFR 5.609(a)(1) Notice H 2023-10 - F.1
COLA calculations for SSA and SSI benefits	Owners were given choices on how to apply the COLA based on what showed on EIV reports and other factors.	COLAs are included for all new move-in certifications effective the day after the COLA is announced. Reexaminations – Effective the day after SSA has announced the COLA, owners/agents are required to factor in the COLA when determining SS and SSI annual income for all annual reexaminations and interim reexaminations of family income that have not yet been completed and will be effective January 1 or later of the upcoming year.	24 CFR 5.609(c)(2) Notice H 2023-10 – B.3

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Medicaid benefits paid to keep a disabled household member in the household's unit (excluded from income).	Was limited to assistance paid by <b>Medicaid only</b> and just for the benefit of keeping <b>developmentally</b> disabled household members at home.	Now includes amounts from Medicaid <b>and other federal or state assistance</b> that is intended to assist persons with <b>any</b> disability remain in the household's unit. This does not include amounts received to help someone else stay in another unit.	24 CFR § 5.609(b)(19) Notice H 2023-10 – G.11
Non-monetary “in-kind” donations (food, clothing, toiletries)	Was counted as income, except when the contributions were food.	Excluded if received from a food bank or similar organization. However, <b>recurring</b> ( <i>i.e. has occurred more than once and cannot be established to have ended</i> ) in-kind donations from family or friends are counted.	24 CFR 5.609(b)(24)(vi) Notice H 2023-10 – G.1.f
Sporadic income	Excluded, along with “nonrecurring” income.	Included. Only “nonrecurring” income is excluded.	24 CFR 5.609(b)(24) Notice H 2023-10 – G.1
Student financial assistance	Student financial assistance was excluded for all but Section 8 assistance recipients. For Section 8 recipients, assistance from the Higher Education Act of 1965 (HEA), from other grants and scholarships, and from private sources (such as parents and grandparents) are added together, and tuition and other fixed costs were excluded. Any excess income is counted. Exceptions exist for dependents of the household and for persons over age 23 with a dependent child.	<ul style="list-style-type: none"> <li>○ <b>Section 8 recipients.</b> While current HUD Appropriations Act language is in place, student financial assistance for Section 8 recipients will continued to be counted as it was prior to HOTMA. Assistance from the Higher Education Act of 1965 (HEA), from other grants and scholarships, and from private sources (such as parents and grandparents) are added together, and total educational costs are excluded. Any excess assistance is counted. Exceptions exist for dependents of the household and for people over age 23 with a dependent child. People meeting the age 23 exception are treated as non-Section 8 recipients.</li> <li>○ <b>Non-Section 8 recipients.</b> HEA expenses are excluded. However, HEA educational assistance and other scholarships and grants from schools, businesses, or government programs are added together and total educational expenses are subtracted. If any of the non-HEA assistance is not covering the costs, the remainder is income.</li> </ul>	24 CFR § 5.609(b)(9) Notice H 2023-10 – G.16
Veterans Regular Aid and Attendance	Was not addressed in the past.	Is excluded if the benefits are paid for care of a veteran in the unit.	24 CFR § 5.609(b)(17) Notice H 2023-10 – G.10
Worker's compensation	Included in income.	Worker's compensation payments are excluded from income. <b>[amended by HUD Feb. 2024]</b>	24 CFR 5.609(b)(5) Notice H 2023-10 – G.6

## HOTMA Changes Crosswalk (March 2024)

Item	Former Rule	HOTMA Rule	New Reference
<b>Verifications</b>			
Assets	<p>When applying HUD streamlining rules, when total net assets did not exceed \$5,000, assets could be verified using self-certification two out of three years, starting the year after move-in.</p> <p>For LIHTC rules, when net family assets do not exceed \$5,000, assets an owner may rely on self-certification of the assets every year.</p>	<p>When total net assets did not exceed \$50,000 (as adjusted annually), assets can be verified using self-certification two out of three years. Assets may be self-certified at move-in.</p> <p>This is NOT the basis for applying self-certification to the LIHTC program. The new HOTMA <b>imputed asset income</b> rules allow the LIHTC to increase the threshold for asset self-certification to \$50,000 for every year, as long as the state agency allows for it.</p>	<p>24 CFR 5.603</p> <p>Rev. Proc. 94-65</p>
Checking and other financial accounts.	6-months of statements or verification of deposit was required to determine a 6-month average for checking. Other accounts used current balance.	All accounts use current balance and a recent statement to verify.	Notice H 2023-10 J.5.a
Court orders (for child support or alimony)	Often required to verify entitlement to ordered income.	Only relevant if the household is receiving the full ordered amount. Will often not be needed when partial, sporadic, or over payments are received.	Notice H 2023-10 – F.1
Excluded income (verification of)	Was not directly addressed in former rules, although income that was totally excluded was generally not required to be verified.	For income sources where the entire amount qualifies to be excluded from the annual income the owner/agent is not required to 1) verify the income using third-party verification, 2) document in the tenant file why the third-party verification was not secured, or 3) report the income on certification forms. Owner/agents may accept an applicant or participant's self-certification as verification of excluded income. Owner's/agent's application and reexamination questionnaire documentation may serve as the self-certification of excluded income.	Notice H 2023-10 – J.7
Means tested public assistance income determination verification safe harbor.	HUD – The income determinations of other programs were not acceptable for HUD certifications.	For households receiving benefits from the below federal means tested programs, total household annual income can be based on an income determination made within the previous 12-month period from the means-	24 CFR 5.609(c)(3) Notice H 2023-10 – J.4

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	LIHTC – The use of PHA determinations of income were acceptable for voucher-holding tenants.	<p>tested federal public assistance program. The 12 month deadline is from the time received by the owner/agent and can be determined from benefit letters, statements or other documentation supplied by the household or a form completed by an administrator of the other means tested program.</p> <p>Note: HOME officials have verbally stated that this will not be allowed for the HOME programs.</p> <ul style="list-style-type: none"> <li>○ TANF</li> <li>○ Medicaid</li> <li>○ SNAP</li> <li>○ The EITC</li> <li>○ The LIHTC</li> <li>○ WIC</li> <li>○ SSI</li> <li>○ Other programs administered by HUD</li> <li>○ Other means-tested federal public assistance that HUD establishes an MOU with.</li> <li>○ Other means tested federal programs with comparable reliability announced by HUD through Federal Register notice.</li> </ul>	
Paystubs and other documents supplied by a household.	Although considered “third-party verification” often less desirable than verification forms completed by an employer.	Considered “third-party verification” supplied by household. <b>Preferred</b> over forms completed by an employer. Less desirable than the Work Number, other verification databases, or EIV reports.	Notice H 2023-10–Table J2
Tax returns.	No particular rules, except for HOME, which required proof of a tax returns authenticity.	When needed for verification purposes, income tax returns with corresponding official tax forms and schedules attached and <b><i>including third-party receipt of transmission for income tax return filed</i></b> (i.e., tax preparer’s transmittal receipt, summary of transmittal from online source, etc.) are an acceptable form of written, third-party verification.	Notice H 2023-10 J.5.a
Upfront Income Verification (UIV) This included EIV, <i>Work</i>	Except for EIV, were not considered full third-party verification and other options were preferred.	UIV is the most preferred type of verification (of highest acceptability). Except for when EIV is required, HUD encourages use of these other UIV database systems.	Notice H 2023-10–Table J2

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<i>Number for Everyone</i> government and other database reporting systems).			
Verification form completed by a third party.	Most desirable form of verification.	In most cases less desirable than EIV, Work Number and other database verification systems, as well as third-party verification supplied by a household. Only of medium acceptability and when other options are not available, such as with a new job.	Notice H 2023-10–Table J2
<i>Work Number for Everyone</i> and government and other Upfront Income Verification (UIV) database income verification systems).	Was not considered full third-party verification and other options were preferred.	Other than EIV reports, this is the most preferred type of verification (of highest acceptability). HUD encourages, but does not require, use of these database systems.	Notice H 2023-10–Table J2
<b>HUD-Only Issues</b>			
Asset limitation	No requirements.	<p><b>Initial Occupancy.</b> Occupancy is denied for HUD-assisted families who have:</p> <ul style="list-style-type: none"> <li>• Total net assets exceeding \$100,000 (as adjusted annually).</li> <li>• Real property that is suitable for occupancy (with some exceptions).</li> </ul> <p><b>At reexamination.</b> Owner/agents may create exemption policies to totally, partially, or selectively not implement the asset limitations for existing residents at reexamination. Note: Applies only to rental assistance programs such as Section 8 PBRA, 202/8, HCV, and public housing.</p> <p style="text-align: right;"><b>[amended by HUD Feb 2024]</b></p>	24 CFR 5.100 24 CFR 5.603 24 CFR 5.618 Notice H 2023-10–Appendix A
Child-care expense deduction	Child-care expenses could be deducted only if the expenses allowed a household member to work, look for work, or further their education.	Child-care expenses can be deducted if the expenses allowed a household member to work, look for work, or further their education. Owner/agents may develop hardship exemptions to temporarily allow child-care expenses that are needed for other purposes if the	24 CFR 5.603 - Child-Care Expenses 24 CFR 5.611(d) Notice H 2023-10 – C.5 Notice H 2023-10 – C.6

## HOTMA Changes Crosswalk (March 2024)

Item	Former Rule	HOTMA Rule	New Reference
		household would not otherwise be able to pay their rent.	
Definition of income at annual reexamination	Was <b>anticipated</b> income, estimating income for the next 12 months after the certification effective date, the same as at initial income determination.	Based on the last 12 months' income, taking into consideration certain changes, EIV reports, and subject to household concurrence. Move-in and interim income is still calculated based on anticipated income. LIHTC – Most HFAs are likely to continue using anticipated income for all certifications.	24 CFR §§ 5.609(c)(2) Notice H 2023-10– B.2
EIV reports	Income reports were run at annual and interim examinations. Discrepancy reports were triggered by \$2,400 differences (the \$200 a month at which reporting of changes of income were required). Income reports were run 90 days after a household's initial certification effective date. New hires reports were run periodically during the year.	Income reports are only required at annual examinations. Discrepancy reports are triggered by the 10% of adjusted income threshold at which reporting of changes of income is required. Income reports are required to be run 120 days after a household's initial certification effective date. New hires reports are only required to be run at annual reexaminations.	24 CFR 5.233 Notice H 2023-10–Table J2 Notice H 2023-10 J.3 Notice H 2023-10 Table J1
Elderly household deduction	Was \$400 per elderly or disabled household.	\$525 per elderly or disabled household in 2024 and adjusted annually thereafter, rounded to next lowest \$25.	24 CFR 5.611(a)(2) Notice H 2023-10 Table H1
Health and medical and reasonable attendant care and auxiliary apparatus expense deduction	Expenses in excess of 3% of total annual income may be deducted when determining adjusted income.	Expenses in excess of 10% of total annual income may be deducted when determining adjusted income. For households receiving the deduction going into 01/01/2024, the threshold will phase in at 5% in 2024, and 7.5% and 10% in 2025 and 2026, respectively. Hardship exemptions may be implemented by an owner/agent.	24 CFR 5.611(a)(3) Notice H 2023-10 C.3 Notice H 2023-10 C.4 Notice H 2023-10 Table C1
Interim recertification	<b>Required for increases</b> of income of \$200 or more a month. <b>Required for decreases</b> of income upon request of a household.	<b>Required for increases</b> of <b>unearned</b> income exceeding 10% of household adjusted income. <b>Not required</b> for increases of <b>earned</b> income or for changes that are reported in <b>the last 3 months</b> of the certification year.	24 CFR 5.567(c)(1) Notice H 2023-10 Attachment I



## HOTMA Changes Crosswalk (March 2024)

Item	Former Rule	HOTMA Rule	New Reference
	<p><b>Required for certain changes</b> of household composition and other changes.</p>	<p><b>Required for decreases</b> of income exceeding 10% of household adjusted income (or a lesser threshold set by the owner).</p> <p><b>Required for certain changes</b> of household composition and other changes.</p> <p><b>Must be conducted in a reasonable time</b> from report based on circumstances, but no more than 30 days.</p>	
Releases of information	<p>The HUD form 9886 (PIH) and 9887 (MFH) release packets were required to be signed annually. Assistance was terminated if not signed within 15 months of the execution of the last form.</p>	<p>The HUD form 9886 (PIH) and 9887 (MFH) release packets are only signed once by each adult, except:</p> <ul style="list-style-type: none"> <li>• When any adult person joins the family</li> <li>• When a member of the family turns age 18</li> <li>• As required by HUD administrative instructions.</li> </ul>	<p>24 CFR 5.230 Notice H 2023-10 - J.1</p>
Social security number verification	<p>Documentation of SSNs had to be collected prior to occupancy. This included a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name and SSN of the individual.</p>	<p>After the owner/agent has attempted to first obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual, self-certification of SSN and at least one third-party document, such as a bank statement, utility or cell phone bill, benefit letter, etc., that contains the name of the individual. If verifying an individual's SSN using this method, the owner/agent must document why the other SSN documentation was not available.</p> <p>If the tenant's SSN becomes verified in EIV, then no further verification is required. If the tenant's SSN fails the SSA identity match, then the PHA/MFH Owner must obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name of the individual and the SSN of the individual, along with other identifying information of the individual. The tenant's assistance must be terminated if they fail to provide the required documentation.</p>	

## HOTMA Changes Crosswalk (March 2024)

Item	Former Rule	HOTMA Rule	New Reference
Tenant Selection Policies (TSP)	Required and suggested topics were listed in the 4350.3 Figure 4-2.	HOTMA implementation guidance requires all discretionary policies allowed by HOTMA to be listed in the TSP. This is true even for policies that do not relate to tenant selection, such as those relating to hardship exemptions and reexamination of income. These will be added to the TSPs existing topics in the 4350.3 Figure 4-2, except a few cases where HOTMA adjusts a currently included topic. HUD is requiring the TSPs and EIV policies to be amended by 5/31/2024 prior to HOTMA becoming in full affect.  [amended by HUD Feb 2024]	Notice H 2023-10 [throughout]