

HOTMA 102/104 Appendix to the ACOP

Purpose of the Appendix

HUD published a final rule on February 14, 2023, revising regulations related to income, assets, adjusted income, verification, and reexaminations and more to implement Sections 102 and 104 of HOTMA. While the new regulations were effective January 1, 2024, HUD delayed full compliance for HOTMA 102/104. Compliance with Sections 102 and 104 of HOTMA means not only applying HOTMA 102/104 regulations to affected programs but also submitting Form HUD-50058s with family information to HUD's electronic reporting system. Currently, PHAs remain unable to fully comply with HOTMA 102/104 because HUD's current IMS/PIC system is unable to accept HOTMA-compliant Form HUD-50058s. However, in Notice PIH 2024-38, HUD determined that some HOTMA 102/104 policies are not dependent on transition systems and specified a PHA implementation date for these policies of July 1, 2025.

HOTMA 102/104 policies are provided in each affected area of the model policy. Some HOTMA policies that are "on hold" are indicated in the model policy as such. This appendix explicitly identifies all HOTMA elements that are on hold.

The PHA must have:

- Stopped enrolling families into the EID as of 12/31/23;
- Transitioned to the new Form HUD-9886-A no later than 2/1/25;
- Applied HOTMA 102/104 income exclusions listed in 24 CFR 5.609(b) (including new requirements for student financial assistance) for all income examinations effective on or after 7/1/25;
- Applied provisions related to de minimis errors; and
- Used new HOTMA 102/104 definitions listed in the regulations for all transactions effective on or after 7/1/25.

These definitions are found in Chapter 6 of policy, although some may also be found in other chapters. The definitions include:

- Earned income
- Unearned income
- Family
- Day laborer
- Independent contractor
- Dependent
- Foster child and foster adults
- Health and medical care expenses
- Minor

Further, PHAs **may**, but are not required to:

- Stop using the EIV Income Report during interim reexams.
- Use Safe Harbor income determinations from means-tested federal assistance programs to verify a family's income and assets.

Finally, in FAQs dated 2/22/24, HUD also stated PHAs **may**, but are not required to:

- Accept third-party verification dated within 120 days of the date received by the PHA (rather than 60 days of the reexam/PHA request date);
- Accept a statement dated within the appropriate benefit year for fixed income sources like Social Security; and
- Accept a self-certification of SSNs along with a third-party document as a last resort if an individual is not able to provide documentation of SSN.

More details about each of the above provisions can be found in Notice [PIH 2024-38](#).

All other provisions of HOTMA 102/104 remain on hold. This means **PHAs may not yet implement certain provisions of HOTMA**. These include:

- All asset provisions, including the asset limitation;
- All adjusted income provisions, with the exception of the definition of health and medical care expenses;
- Inflationary adjustments (although PHAs may choose to use the HUD-determined passbook rate instead of a PHA-determined passbook rate);
- The new verification hierarchy, which allows for EIV + self-certification and for policy allowing the PHA to not use either third-party verification form or oral third-party verification before proceeding to accepting self-certifications;
- Annual reexaminations using the previous 12-month period income;
- Interim reexamination requirements; and
- Non-interim reexamination transactions.

PHAs may not implement the above provisions because HUD's current IMS/PIC system is unable to accept HOTMA-compliant Form HUD-50058s. PHAs should await further guidance from HUD on when these will be applicable. HUD published a final rule on February 14, 2023, revising regulations related to income, assets, adjusted income, verification, and reexams (among others) to implement Sections 102 and 104 of HOTMA. While the new regulations were effective January 1, 2024, HUD has delayed the compliance date for HOTMA 102/104. Initially, HUD published a delayed compliance date of January 1, 2025, but HUD again delayed the compliance date for HOTMA 102/104 and no new date has been provided. Compliance with Sections 102 and 104 of HOTMA means not only applying HOTMA 102/104 regulations to affected programs but also reporting in HUD's new Housing Information Portal (HIP) system. Currently, PHAs remain unable to comply with HOTMA 102/104 because compliance depends on transitioning from HUD's IMS/PIC system (which is unable to accept HOTMA-compliant

Form HUD-50058) to HUD's new HIP system (which will be the only system that accepts HOTMA-compliant Form HUD-50058). PHAs cannot transition to HOTMA until HIP is in place, HOTMA-compliant, and accessible. However, HUD has determined that a few HOTMA 102/104 policies are not dependent on transition systems and easily isolated from other HOTMA 102/104 policy changes. These policies may be implemented prior to the migration to HIP.

HUD stated that PHAs may update their policy documents before determining the date at which they will transition to all HOTMA Section 102 and 104 policies. HUD stated that in order to update their policy documents for HOTMA in this circumstance, PHAs may create an appendix that contains the HOTMA policies that will be incorporated at a later date. The model policy adopts such an approach. HOTMA 102/104 policies are provided in each affected area of the model policy. However, with the exception of the policies HUD has indicated may be adopted early, HOTMA policies that are "on hold" are indicated in the model policy as such. Further, an appendix has been provided to explicitly call out those policies that are on hold.

HOTMA 102/104 Policies Not Yet Implemented

Chapter 00

No HOTMA 102/104 policies apply.

Chapter 1

No HOTMA 102/104 policies apply.

Chapter 2

No HOTMA 102/104 policies apply.

Chapter 3

~~Model policy section **3-I.B. FAMILY AND HOUSEHOLD** is amended to comply with section E.1 of Notice PIH 2023-27, **Definition of Family**~~

~~Model policy section **3-I.K. FOSTER CHILDREN AND FOSTER ADULTS** is amended to comply with section E.2 of Notice PIH 2023-27, **New Definitions of Foster Adult and Foster Child**~~

~~Model policy section **3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION** is amended to comply with section J.2 of Notice PIH 2023-27, **Revocation of Consent**~~

~~Model Policy section **3-III.C. RESTRICTION ON ASSISTANCE BASED ON ASSETS** is added to comply with section A.1 of Notice PIH 2023-27, **Asset Limitation**~~

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~~Model policy section **3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION** is amended to comply with section J.2 of Notice PIH 2023-27, **Revocation of Consent**~~

~~Model Policy section **3-III.C. RESTRICTION ON ASSISTANCE BASED ON ASSETS** is added to comply with section A.1 of Notice PIH 2023-27, **Asset Limitation**~~

HOTMA 102/104 policies related to the definition of family, foster children, and foster adults applied no later than July 1, 2025.

Chapter 4

No HOTMA 102/104 policies apply.

Chapter 5

No HOTMA 102/104 policies apply.

Chapter 6

Prior to the PHA's HOTMA compliance date, the PHA will follow policies in Chapter 6.A. [\(as updated for Notice PIH 2024-38\)](#).

Upon the PHA's HOTMA compliance date, the PHA will follow policies in Chapter 6.B.

Chapter 7

Prior to the PHA's HOTMA compliance date, the PHA will follow policies in Chapter 7.A. ([as updated for Notice PIH 2024-38](#)).

Upon the PHA's HOTMA compliance date, the PHA will follow policies in Chapter 7.B.

Chapter 8

No HOTMA 102/104 policies apply.

Chapter 9

Prior to the PHA's HOTMA compliance date, the PHA will follow policies in Chapter 9.A.

Upon the PHA's HOTMA compliance date, the PHA will follow policies in Chapter 9.B.

Chapter 10

No HOTMA 102/104 policies apply.

Chapter 11

No HOTMA 102/104 policies apply.

Chapter 12

No HOTMA 102/104 policies apply.

Chapter 13

~~Model policy section 13-II.B. FAILURE TO PROVIDE CONSENT is amended to comply with section J.2 of Notice PIH 2023-27, **Revocation of Consent**~~

Model Policy section 13-III.C. **OTHER AUTHORIZED REASONS FOR TERMINATION** is amended to comply with section A.1 of Notice PIH 2023-27, **Asset Limitation**

Chapter 14

No HOTMA 102/104 policies apply.

Chapter 15

~~HOTMA 102/104 policies related to de minimis errors applied no later than July 1, 2025~~
~~Model policy section 15-II.C. PHA CAUSED ERRORS OR PROGRAM ABUSE is amended to comply with 24 CFR 5.609(e)(4), **De Minimis Errors**~~

Chapter 16

No HOTMA 102/104 policies apply.

Glossary

The following definitions applied are applicable upon the PHA's implementation of HOTMA 102/104 no later than July 1, 2025:

- Annual income (revised)
 - Day laborer
 - De minimis error
 - Earned income
 - Family (revised)
 - Foster adult
 - Foster child
 - Independent contractor
 - Inflationary index
 - Net family assets (revised)
 - Real property
 - Seasonal worker
 - Unearned income

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