

FLINT HOUSING COMMISSION

**ADDENDUM
TO THE
ACOP AND
ADMIN PLAN
HOTMA**

Sections 102, 103, 104

Updated March 29, 2025

Admissions Continued Occupancy Program

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Introduction and Statutory Authority

1.1 Introduction to HOTMA Provisions

This chapter outlines the 's policies regarding implementation of the Housing Opportunity Through Modernization Act (HOTMA) of 2016 (Public Law 114-201) and subsequent implementing regulations. The provisions contained in this chapter supersede any conflicting provisions elsewhere in this ACOP.

1.2 Statutory Authority

The policies and procedures outlined in this chapter implement various sections of HOTMA of 2016 particularly Sections 102, 103, and 104 which address specific elements intended to improve the functionality and efficiency of housing assistance programs administered by HUD:

1. Section 102 - Income Reviews for Public Housing and Section 8 Programs:

- This section modifies the requirements for income reviews, specifically for the Public Housing and Section 8 rental assistance programs.
- It introduces more flexible timelines for income re-certifications, particularly for families with fixed incomes.
- Income reviews can be conducted every three years for those on fixed incomes, instead of the annual reviews previously required. This change aims to reduce administrative burdens on housing authorities and simplify the process for tenants.

2. Section 103 - Limitation on Public Housing Tenancy for Over-Income Families:

- This section addresses the presence of over-income tenants in public housing.
- It establishes guidelines and criteria under which public housing agencies must either terminate the tenancy or charge market rent to families exceeding the income limits for a defined period.
- This provision ensures that public housing resources prioritize families who meet the income eligibility criteria and are most in need of assistance.

3. Section 104 - Limitation on Eligibility for Assisted Housing Based on Assets:

- This section sets limitations on eligibility for assisted housing programs based on a family's assets.
- Families with assets above a certain threshold may be deemed ineligible for certain housing assistance programs.
- The goal is to focus resources on families with the greatest financial need and ensure that housing assistance aligns with the intended purpose of serving low-income populations.

These policies have been developed in accordance with HUD regulations, Federal Register notices, PIH notices, and other applicable guidance implementing HOTMA provisions.

1.3 Effective Dates

The HOTMA provisions described in this chapter will be implemented according to the following schedule:

- Asset limitations: Effective July 1, 2025
- Over-income families: Effective July 1, 2025
- Streamlined annual reexaminations: Effective July 1, 2025
- Self-certification of assets: Effective July 1, 2025

Each section of this chapter includes specific implementation dates for the applicable provisions.

Asset Limitation Policies

2.1 Net Asset Limitations

In accordance with Section 104 of HOTMA, the FHC establishes the following policies regarding asset limitations:

2.1.1 Asset Threshold for Eligibility

Applicant families with net assets exceeding \$100,000 (as adjusted annually by HUD) are ineligible for admission to the Public Housing program. This limitation applies to all members of the household collectively, not to individual household members.

2.1.2 Asset Threshold for Continued Occupancy

Participant families whose net assets exceed \$100,000 (as adjusted annually by HUD) will no longer be eligible for continued assistance. Such families will be terminated from the program after receiving proper notification from the FHC and being afforded the opportunity for an informal hearing.

2.1.3 Calculation of Net Assets

For purposes of this requirement, "net family assets" has the same meaning as provided in 24 CFR 5.603, except that net family assets do not include:

1. The value of necessary items of personal property (e.g., furniture, automobiles)
2. The value of a trust fund not controlled by or accessible to a household member
3. The value of a special needs trust established for the benefit of a household member with a disability
4. Assets that are part of an active business
5. Retirement accounts that cannot be accessed without penalty before retirement age
6. Amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty that resulted in a member of the family being disabled

2.1.4 Annual Adjustment

The Flint Housing Commission will adjust the asset limitation threshold annually in accordance with the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

2.2 Asset Verification

2.2.1 Initial Eligibility

For initial eligibility determinations, the Flint Housing Commission will require families to provide documentation to verify all assets. Such documentation may include:

1. Bank statements covering the most recent six-month period
2. Statements from investment and retirement accounts
3. Real estate tax statements and appraisals
4. Mortgage statements
5. Life insurance policies with cash value information

6. Other documentation as deemed necessary by the PHA

2.2.2 Annual Reexamination

For annual reexaminations, the Flint Housing Commission will follow a streamlined verification process for assets:

1. For families with net assets less than \$50,000, the Flint Housing Commission will accept a family's declaration of the amount of assets and the amount of income expected to be received from those assets.
2. For families with net assets of \$50,000 or more but less than \$100,000, Flint Housing Commission will verify assets through third-party verification.

2.2.3 Reporting Changes in Assets

Families must report any change in assets that would result in total net assets exceeding \$100,000 within 30 days of the change.

Income Examination Policies

3.1 Frequency of Income Examinations

In accordance with Section 102 of HOTMA, FHC adopts the following schedule for income examinations:

3.1.1 Standard Reexamination Schedule

The Flint Housing Commission will conduct a full income reexamination for all families at least once every 12 months, except as provided below for families with fixed incomes.

3.1.2 Streamlined Reexaminations for Fixed Income Families

For families where 90% or more of the household income is derived from fixed income sources, the Flint Housing Commission will conduct a full income reexamination once every three years. In the intervening years, the Flint Housing Commission will apply a verified cost-of-living adjustment (COLA) or interest rate adjustment specific to each fixed income source.

3.1.3 Interim Reexaminations

Families may request an interim reexamination of income when they experience a decrease in income of at least 10%.

Families are required to report increases in income that exceed 10% within 30 days of the increase.

3.2 Annual Reexamination Process

3.2.1 Scheduling

The Flint Housing Commission will schedule annual reexaminations to coincide with the family's anniversary date. FHC will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

3.2.2 Notification

Families will be notified in writing of the requirement to recertify. The notification will inform the family of:

1. The date, time, and location of the scheduled reexamination interview
2. The information and documentation that must be provided
3. The option to request a reasonable accommodation

3.2.3 Verification

The Flint Housing Commission will follow HUD's verification hierarchy as outlined in PIH Notice 2018-18 (or subsequent guidance) when conducting reexaminations.

Fixed Income Families

4.1 Definition of Fixed Income

For purposes of streamlined reexaminations, "fixed income" includes:

1. Social Security payments (including Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI))
2. Federal, state, local, and private pension plans
3. Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts
4. Any other source of income subject to adjustment by a verifiable COLA or rate of interest

4.2 Verification of Fixed Income Status

4.2.1 Initial Determination

The Flint Housing Commission will verify all income sources to determine whether a family qualifies as a fixed-income family (with at least 90% of income from fixed sources) during:

1. Initial eligibility determination
2. Every third annual reexamination

4.2.2 Documentation Requirements

To verify fixed income sources, the Flint Housing Commission will require:

1. Award letters from benefit providers
2. Pension statements
3. Bank statements showing direct deposits
4. Other reliable documentation of fixed income sources

4.3 COLA and Adjustment Factor Application

4.3.1 Source of COLA or Adjustment Factors

The Flint Housing Commission will use:

1. COLA or adjustment factor provided by the applicable benefit provider
2. Published COLA that applies to the applicable benefit
3. For income sources where a COLA or current rate of interest is not available, the Flint Housing Commission will use the percentage of adjustment established by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

4.3.2 Documentation of Adjustments

The Flint Housing Commission will document in the tenant file how the determination of adjusted income was made and include:

1. The source of the COLA or adjustment factor
2. The calculation worksheet
3. The effective date of the adjustment

Over-Income Families

5.1 Definition of Over-Income

5.1.1 Over-Income Threshold

In accordance with Section 103 of HOTMA, an over-income family is defined as one whose annual income exceeds 120% of the area median income (AMI) for the family size, as published by HUD, for two consecutive years.

5.1.2 Area Median Income Determination

The Flint Housing Commission will use the most recently published AMI data by HUD to determine the over-income threshold. This threshold will be recalculated whenever new AMI data is published by HUD.

5.2 Over-Income Identification and Tracking

5.2.1 Initial Over-Income Determination

At each annual reexamination, FHC will compare the family's adjusted income to the applicable over-income limit. If the family's income exceeds this threshold, the Flint Housing Commission will document this in the tenant file and provide written notice to the family that they have been identified as over-income.

5.2.2 Second Over-Income Determination

If the family's income still exceeds the over-income limit at the next annual reexamination (12 months later), the family will be deemed an "over-income family" subject to either termination of tenancy or alternative rent payment, as detailed below.

5.2.3 Tracking System

The Flint Housing Commission will maintain a tracking system to:

1. Identify families whose income exceeds the over-income limit
2. Track the duration of over-income status
3. Document all notifications to the family
4. Track any changes in income that may affect over-income status

5.3 PHA Action for Over-Income Families

When a family has been over-income for two consecutive years, the FHC will:

5.3.1 Option 1: Alternative Rent

Charge the family a monthly rent equal to the greater of:

1. The applicable Fair Market Rent (FMR) for the unit; or
2. The amount of the monthly subsidy for the unit, including amounts from the operating and capital fund, as determined by regulations.

5.3.2 Option 2: Termination

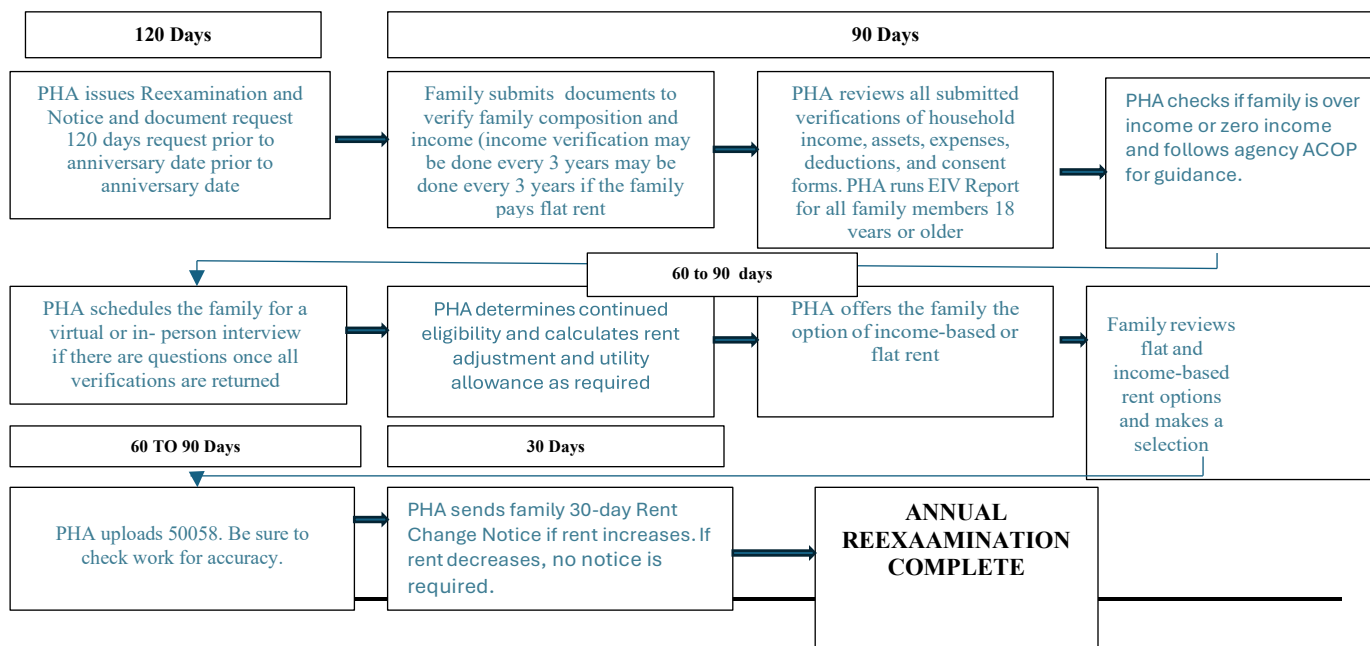
Terminate the family's tenancy within 6 months of the second income determination. The Flint Housing Commission will provide a written notice to the family of their termination of tenancy at least 30 days prior to the effective date.

Note: FHC will select either Option 1 or Option 2 and remove the other option

5.3.3 Decrease in Income

If, at any time, an over-income family experiences a decrease in income that places their income below the over-income limit, the two-year clock will be reset. The family's income will be reevaluated at the next annual reexamination.

Critical Steps in Processing Annual Reexaminations:



Self-Certification of Assets

6.1 Assets Under \$50,000

For families with total net assets not exceeding \$50,000, the FHC will accept a family's self-certification of the amount of assets and the amount of income expected to be received from those assets.

6.2 Self-Certification Process

6.2.1 Form and Content

The self-certification must:

1. Be in a format acceptable to the Flint Housing Commission
2. Be signed by all adult family members
3. Indicate the total net assets owned by the family
4. Specify the estimated amount of income generated by the assets
5. Include a certification that the information provided is accurate

6.2.2 Timing

Self-certification of assets will be required:

1. During initial eligibility determination
2. At each annual reexamination
3. When a family reports a change in assets that may affect their eligibility or rent calculation

6.3 Verification Requirements

6.3.1 Random Verification

The Flint Housing Commission will conduct third-party verification of assets for a random sample of at least 25% of families who have submitted a self-certification of assets under \$50,000.

6.3.2 Required Third-Party Verification

The Flint Housing Commission will require third-party verification of assets for:

1. Initial eligibility determination
2. Every third annual reexamination
3. When the family's self-certified assets approach \$50,000
4. When there is a discrepancy in the information provided

Utility Allowances

7.1 Utility Allowance Schedule

7.1.1 Establishment of Schedule

The Flint Housing Commission will maintain a utility allowance schedule for all tenant-paid utilities, based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality.

7.1.2 Annual Review

The Flint Housing Commission will review the utility allowance schedule annually. If there has been a change of 10% or more in the utility rate since the last revision of the schedule, the schedule will be revised to reflect the new rate.

2 Applicable Utility Allowance

7.2.1 Determination of Allowance

The Flint Housing Commission will assign a utility allowance to each family based on the size of dwelling unit actually leased by the family, rather than the voucher unit size for which the family qualifies.

7.2.2 Reasonable Accommodation

The Flint Housing Commission will approve a utility allowance amount higher than the applicable unit size if a higher allowance is needed as a reasonable accommodation for a family member with a disability.

7.3 Utility Reimbursement

7.3.1 Payment Method

When a family's utility allowance exceeds the total tenant payment, the FHC will provide the family with a utility reimbursement payment. The FHC will make utility reimbursements as follows:

1. Direct payment to the family
2. Direct payment to the utility supplier(s) on behalf of the family
3. A combination of options 1 and 2

7.3.2 Frequency of Reimbursement

The Flint Housing Commission will make utility reimbursement payments monthly. If the reimbursement amount is \$45 or less per quarter, the payment will be made quarterly.

Community Service and Self-Sufficiency

8.1 Community Service Requirement

8.1.1 Eligible Activities

In accordance with HOTMA, the FHC will accept the following as eligible community service or economic self-sufficiency activities:

1. Uncompensated service at a local institution, such as a school, hospital, community center, recreation center, senior center, or service program
2. Work with youth organizations, service programs, or educational facilities
3. Participation in job training programs, work readiness programs, or skills training programs
4. Enrollment and active participation in a degree or certificate program at an accredited institution

5. Job search and job readiness assistance, including resume writing and interview preparation
6. Substance abuse or mental health counseling for oneself or a family member
7. English as a Second Language (ESL) or citizenship classes
8. Reading or financial literacy programs
9. Parenting classes or programs related to children's health, wellness, or education
10. Other activities as approved by the FHC

8.1.2 Verification and Documentation

The Flint Housing Commission will accept the following as verification of participation in eligible activities:

1. Signed certification from the organization or entity where the service was performed
2. Program enrollment documentation and attendance records
3. School transcripts or course registration documents
4. Certificates of completion for training programs
5. Documentation of job search activities, such as applications submitted, or interviews attended

8.2 Exemptions from Community Service

8.2.1 Exempt Individuals

In accordance with HOTMA and 24 CFR 960.601, the following individuals are exempt from the community service requirement:

1. Family members who are under 18 years of age
2. Family members who are 62 years of age or older
3. Family members who are blind or disabled as defined under 216(i)(1) or 1614 of the Social Security Act and who certify that they are unable to comply with the requirement due to their disability
4. Family members who are the primary caregiver for a blind or disabled family member
5. Family members engaged in work activities for at least 20 hours per week
6. Family members who are exempt from work requirements under TANF or state welfare program
7. Family members receiving assistance, benefits, or services under TANF or state welfare program with a work requirement of at least 20 hours per week
8. Family members receiving unemployment compensation and actively seeking employment
9. Full-time students in good standing

8.2.2 Verification of Exemption

The Flint Housing Commission will verify exemption status at each annual reexamination.

Income Calculations and Exclusions

9.1 Annual Income Inclusions

9.1.1 Sources of Income

The Flint Housing Commission will include the following sources of income in accordance with 24 CFR 5.609(b) and HOTMA provisions:

1. Wages, salaries, tips, commissions, and other compensation for personal services
2. Business income from self-employment
3. Interest, dividends, and other net income from real or personal property
4. Welfare assistance payments
5. Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits
6. Unemployment, disability compensation, worker's compensation, and severance pay
7. Alimony and child support payments
8. Regular contributions or gifts received from organizations or persons not residing in the dwelling
9. Armed Forces pay for all family members (including hostile fire pay)
10. Any other sources not specifically excluded

9.1.2 Calculation Period

Annual income will be calculated by projecting current circumstances over a 12-month period.

9.2 Annual Income Exclusions

9.2.1 HOTMA Specific Exclusions

In accordance with HOTMA, the Flint Housing Commission will exclude the following from annual income:

1. Any financial assistance received by students that exceeds tuition and other required fees and charges
2. Earned income of dependent full-time students in excess of \$480, except for the head of household, spouse, or co-head
3. Earned Income Disallowance (EID) in accordance with HOTMA provisions
4. Distributions from retirement accounts that would be subject to a tax penalty if withdrawn
5. Foster care payments and kinship guardian assistance payments for children living with the family
6. Income excluded by federal statute or regulation

9.2.2 Standard Exclusions

The Flint Housing Commission will also exclude income sources listed in 24 CFR 5.609(c), including but not limited to:

1. Income from the employment of children under 18
2. Payments received for the care of foster children or adults
3. Lump-sum additions to family assets (e.g., inheritances, insurance payments)
4. Medical expense reimbursements
5. Income of a live-in aide
6. Student financial assistance (for students enrolled in an institution of higher education)
7. Special armed forces pay
8. Temporary, nonrecurring, or sporadic income
9. HUD-funded training program payments
10. Reparation payments
11. Resident service stipends not exceeding \$200 per month
12. Incremental earnings due to employment during participation in qualifying state or local training programs
13. Amounts specifically excluded by any other federal statute

9.3 Earned Income Disallowance

9.3.1 Eligibility

For families residing in public housing, the Flint Housing Commission will provide an earned income disallowance (EID) for qualifying family members who:

1. Experience an increase in annual income due to employment after being unemployed for at least 12 consecutive months
2. Experience an increase in annual income during participation in an economic self-sufficiency or job training program
3. Experience an increase in annual income due to new employment or increased earnings during or within 6 months after receiving assistance from a state TANF program

9.3.2 Calculation of EID

The Flint Housing Commission will implement EID as follows:

1. Initial 12-month exclusion: 100% of the increase in income attributable to employment
2. Second 12-month exclusion: 50% of the increase in income attributable to employment
3. Lifetime maximum period of 24 consecutive months from the date of initial exclusion

9.3.3 Tracking and Documentation

The FHC will track all EID information in the tenant file, including:

1. Date of initial eligibility for EID
2. Initial baseline income before qualification for EID
3. Calculation of excluded amounts for each period
4. End date of the 24-month eligibility period

Real Property Ownership

10.1 Property Ownership Limitations

10.1.1 General Rule

In accordance with Section 104 of HOTMA, applicant or participant families who own or have an ownership interest in real property that is suitable for occupancy as a residence are ineligible for assistance, unless the family meets an exception criterion.

10.1.2 Definition of Suitable for Occupancy

For purposes of this policy, a property is considered "suitable for occupancy" if it:

1. Meets local building codes for residential properties
2. Has functioning utilities (or such utilities could be reasonably connected)
3. Is habitable without requiring extensive repairs
4. Is not condemned or otherwise legally prohibited from being occupied

10.2 Exceptions to Property Ownership Limitation

10.2.1 Eligible Exceptions

The Flint Housing Commission will allow the following exceptions to the property ownership limitation:

1. The family is making a good faith effort to sell the property
2. The property is owned jointly with someone who:
 - a. Has been subjected to domestic violence by a member of the family, and the family no longer resides in the property; or
 - b. Is not a member of the family and whose whereabouts are unknown to the family despite reasonable efforts to locate them
3. The family owns the property as a consequence of inheritance and the property does not meet the family's accessibility needs
4. The family demonstrates that the property is not accessible to the family due to:
 - a. Legal barriers to possession
 - b. Geographic distance from employment that would result in an excessive commute (more

- than 100 miles or 2 hours)
- c. Natural disaster that has made the property uninhabitable
- d. Other circumstances as approved by the FHC

10.2.2 Documentation Requirements

To qualify for an exception, the family must provide documentation of:

1. Efforts to sell the property, including listing agreements, marketing efforts, and offers received
2. Legal barriers to accessing the property, including court documents, restraining orders, or property records
3. Habitability issues, including inspection reports, repair estimates, or disaster declarations
4. Other documentation as required by the Flint Housing Commission to verify the exception

10.3 Verification of Real Property Ownership

10.3.1 Initial Verification

The Flint Housing Commission will verify property ownership during initial eligibility determination through:

1. Property tax records
2. Deed searches
3. Title reports
4. Mortgage statements
5. Self-certification and subsequent verification

10.3.2 Ongoing Verification

The Flint Housing Commission will verify continued compliance with property ownership limitations:

1. At each annual reexamination
2. When a family reports acquisition of property
3. When the Flint Housing Commission receives information indicating potential property ownership

Applicants refusing to accept units offered

Flint Housing Commission Procedures

1. Clear Refusal Policy
 - Applicant given a specific number of unit offers allowed (typically 1-3)
 - FHC distinguishes between "good cause" and "without good cause" refusals
 - FHC documents consequences for each refusal type

2. Good Cause Refusal Criteria

- Medical necessity (documented by healthcare provider)
- Inaccessibility issues for disabled household members
- Reasonable accommodation needs not met by offered unit
- Verifiable safety concerns in the neighborhood
- Unit location creates undue hardship (e.g., employment access, childcare)
- Religious observance requirements not accommodated

3. Refusal Process

- Require written documentation from applicant explaining refusal reason
- Set timeline for submission (typically 5-7 business days)
- Designate specific staff position responsible for reviewing refusals
- Create standard forms for documenting the process

4. Consequences Framework

- First refusal without good cause: Move to bottom of waiting list
- Second refusal without good cause: Removal from waiting list with right to reapply
- Good cause refusals: Maintain waiting list position, offer next available unit

5. Appeal Procedure

- Allow applicants to appeal refusal determinations
- Set clear timeline for appeals (10-14 days from determination)
- Establish informal hearing process
- Define documentation requirements for appeals

6. Reasonable Accommodation Integration

- Process for connecting refusals to reasonable accommodation requests
- Establish timelines for verification and determination
- Identify staff responsible for accommodation determinations

7. Documentation Requirements

- Standardize unit offer documentation (date, unit information, response deadline)
- Create refusal tracking system in applicant files
- Maintain statistics on refusal rates and reasons for program evaluation

8. Communication Protocol

- Provide clear written notice of unit offer with response deadline
- Document all communication attempts (mail, phone, email)
- Include consequences of refusal in offer letters
- Ensure language access for limited English proficiency applicant

Interim Reexaminations

11.1 Changes That Require Interim Reexamination

11.1.1 Required Reporting

Families are required to report the following changes between annual reexaminations within 30 calendar days of their occurrence:

1. Changes in family composition including:
 - a. Birth, adoption, or court-awarded custody of a child
 - b. Marriage or addition of a domestic partner
 - c. Any family member no longer residing in the unit
2. Increases in income:
 - a. For families with fixed incomes (90% or more from fixed sources): Increases in non-fixed income that would cumulatively exceed 10% of annual income
 - b. For other families: Increases in household income that cumulatively exceed 10% of annual income
3. Acquisition of assets:
 - a. When total net assets would exceed \$100,000
 - b. When a family acquires ownership interest in real property suitable for occupancy
4. Any change in income or household composition that would affect eligibility for deductions or allowances

1.1.2 Optional Reporting

Families may request an interim reexamination for:

1. Decreases in income of any amount
2. Increases in allowable deductions
3. Other changes that would reduce the family's rent

11.2 Processing Interim Reexaminations

11.2.1 Effective Dates

The Flint Housing Commission will process interim reexaminations according to the following timeline:

1. Rent increases will become effective on the first day of the month following a 30-day notice to the family
2. Rent decreases will become effective on the first day of the month following the date the change was reported, provided all required documentation was submitted
3. If a family fails to report a change within the required time frame, any resulting rent increase will be retroactive to the month following when the change should have been reported

11.2.2 Verification and Documentation

For interim reexaminations, the Flint Housing Commission will:

- 1 Only verify and update the specific elements of income or household composition that have changed
2. Use EIV or other electronic verification sources when available
3. Accept tenant-provided third-party documents that are dated within 60 days of the interview date

Hardship Policies

12.1 Minimum Rent Hardship

12.1.1 Hardship Criteria

The Flint Housing Commission will grant an exemption from payment of minimum rent if the family is unable to pay due to a financial hardship, which is defined as:

1. The family has lost eligibility for, or is awaiting an eligibility determination for, a federal, state, or local assistance program
2. The family would be evicted because it is unable to pay the minimum rent
3. The family income has decreased because of a change in circumstances, including loss of employment
4. A death has occurred in the family
5. Other circumstances as determined by the Flint Housing Commission or HUD

12.1.2 Hardship Request and Determination

To request a hardship exemption, a family must submit a written request that:

1. Explains the nature of the hardship
2. Provides documentation supporting the hardship claim
3. Is signed by the head of household

The Flint Housing Commission will:

1. Suspend the minimum rent requirement beginning the month following the family's request
2. Determine if the hardship is temporary or long-term within 30 days
3. Retroactively impose the minimum rent if the hardship is determined to be temporary
4. Not impose the minimum rent for 90 days if the hardship is determined to be long-term
5. Reevaluate the family's situation after 90 days to determine if the hardship condition still exists

12.2 Asset Limitation Hardship

2.2.1 Hardship Criteria

The Flint Housing Commission may grant a waiver of the asset limitation requirement in the following circumstances:

1. The assets are not accessible to the family due to:
 - a. Domestic violence situations
 - b. Legal restrictions
 - c. Natural disaster
2. The family needs the assets to pay for medical expenses or disability-related needs
3. Other circumstances as approved by the Flint Housing Commission

12.2.2 Hardship Request and Documentation

To request a hardship exemption from the asset limitation, the family must:

1. Submit a written request explaining the nature of the hardship
2. Provide documentation supporting the hardship claim
3. Demonstrate efforts to address the asset limitation issue

12.3 Over-Income Family Hardship

12.3.1 Temporary Decrease in Income

For families who have been identified as over-income but experience a temporary decrease in income due to:

1. Loss of employment
2. Reduction in work hours
3. Medical leave or disability
4. Loss of a household member with income
5. Other similar circumstances

The Flint Housing Commission will:

1. Verify the decrease in income
2. Reset the over-income timeline if the income decrease brings the family below the over-income threshold
3. Conduct an interim reexamination to adjust the rent

12.3.2 Documentation Requirements

To qualify for an over-income hardship consideration, the family must provide:

1. Documentation of the change in circumstances
2. Verification of current income levels
3. Other information as requested by the Flint Housing Commission

Reexamination

Reexamination Frequency Requirements Under HOTMA

Section 1: Reexamination Frequency Requirements Under HOTMA

In accordance with the Housing Opportunity Through Modernization Act (HOTMA) and implementing regulations, this PHA establishes the following policies regarding the frequency of reexaminations:

1. Standard Reexamination Schedule:
 - a. Annual Reexaminations: The PHA will conduct a full income reexamination for most families once every 12 months, which will include:
 - i. Verification of all income sources
 - ii. Verification of household composition
 - iii. Verification of eligible deductions and allowances
 - iv. Asset verification
 - b. Biennial Reexaminations: As permitted by HOTMA Section 102, the PHA opts to conduct full income reexaminations once every 24 months for:
 - i. Families with stable income history for the past two years
 - ii. Families participating in the Family Self-Sufficiency program who maintain employment
 - iii. Elderly or disabled households with fixed income sources
 - c. Triennial Reexaminations**: For fixed-income households (where 90% or more of income is fixed), the PHA will:
 - i. Conduct a full income reexamination once every three years
 - ii. In intervening years, apply a verified cost-of-living adjustment (COLA) or interest rate adjustment specific to each fixed income source
 - iii. Continue to verify non-fixed income sources annually if they exceed 10% of the household's total income
2. Fixed Income Defined: For purposes of triennial recertification eligibility, 'fixed income' includes:
 - a. Social Security payments (including SSI and SSDI)
 - b. Federal, state, local, or private pension plans
 - c. Annuities or other retirement benefit programs, insurance policies, disability or death benefits
 - d. Veterans Administration (VA) disability benefits
 - e. Other sources determined by HUD or the PHA to be fixed in nature

3. Anniversary Date Determination:
 - a. For Public Housing: The anniversary date is 12 months from the date of admission and each year thereafter
 - b. For Housing Choice Vouchers: The anniversary date is 12 months from the effective date of the family's last annual reexamination or initial eligibility determination
 - c. The PHA may adjust reexamination dates to allow for administrative efficiency and workload distribution

4. Required Annual Activities Regardless of Reexamination Frequency:
 - a. Annual HQS/NSPIRE inspection (may be biennial if eligible)
 - b. Annual determination of appropriate utility allowance
 - c. Annual review of family composition for unit size appropriateness
 - d. Annual review for over-income status in Public Housing (120% AMI threshold)
 - e. Annual review of community service compliance for applicable Public Housing residents

5. Monitoring and Compliance:
 - a. The FHC will maintain tracking systems to ensure all families receive timely reexaminations according to their applicable schedule
 - b. Families placed on biennial or triennial schedules will be clearly indicated in the PHA's management software
 - c. The FHC will document the rationale for placing families on alternative schedules
 - d. Annual compliance reports will be prepared for PHA management review"

Implementation of Streamlined Reexaminations

Section II: Implementation of Streamlined Reexaminations

This PHA will implement streamlined reexamination procedures as follows:

1. Triennial Fixed-Income Reviews:
 - a. Initial Certification: For the full reexamination occurring once every three years, the PHA will:
 - i. Verify all income sources, fixed and non-fixed
 - ii. Document the percentage of income from fixed sources to confirm eligibility (90%+ requirement)
 - iii. Obtain third-party verification of all fixed income sources
 - iv. Verify eligibility factors including household composition and citizenship/immigration status
 - b. Streamlined Income Determination: In years between full reexaminations (years 2 and 3), the PHA will:
 - i. Apply COLA or adjustment factor to fixed income based on:
 - Published COLA for Social Security and SSI
 - COLA provided by the source for other fixed income

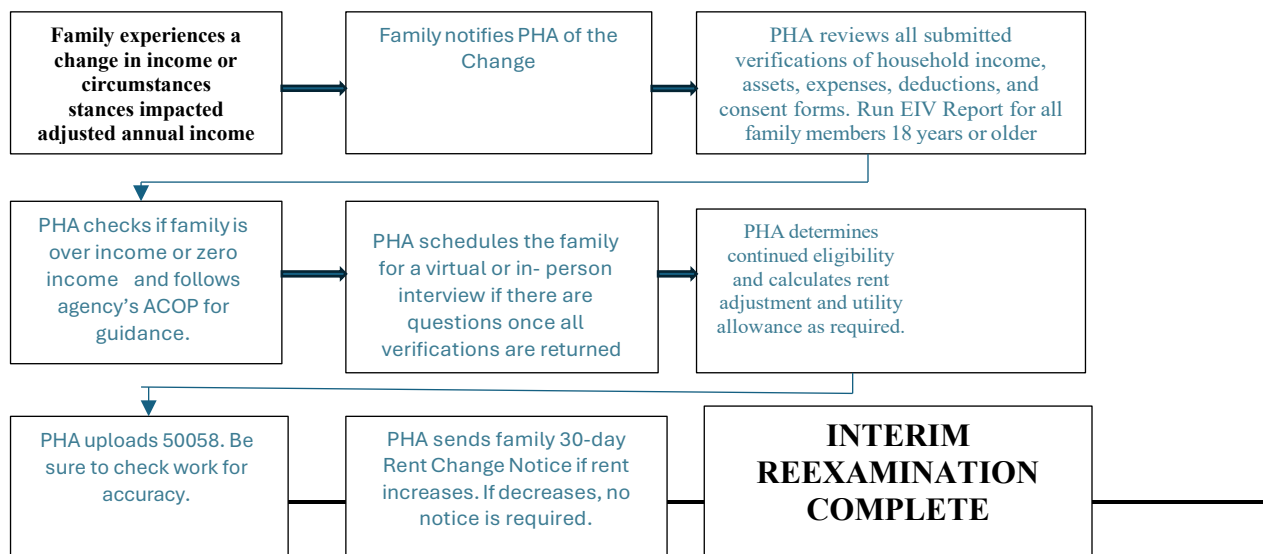
- CPI-U (Consumer Price Index for All Urban Consumers) if no source-specific adjustment is available
 - ii. Verify and update any non-fixed income (less than 10% of total)
 - iii. Document in tenant file the calculation method used and source of adjustment factors

- c. Required Family Reporting: Families on triennial schedules must still report:
 - i. Changes in household composition
 - ii. Increases in non-fixed income that would exceed 10% of total household income
 - iii. Acquisition of assets exceeding the HOTMA threshold (\$100,000)
 - iv. Acquisition of real property

- 2.Documentation Requirements for Streamlined Reviews:
 - a. Written notification to tenants explaining the streamlined process
 - b. Worksheet showing calculation of adjusted fixed income amounts
 - c. Verification of any reported changes that would affect rent determination
 - d. Certification by both tenant and FHC staff of adjusted amounts
 - e. COLA or adjustment factor documentation for each fixed income source

- 3. Return to Annual Reexamination: A family will return to the annual reexamination schedule if:
 - a. The percentage of fixed income falls below 90% of total household income
 - b. The family experiences a change in household composition
 - c. The family requests a return to annual certification
 - d. The FHC determines it necessary to ensure program compliance"

Critical Steps in Processing Interim Reexaminations:



Special Circumstances and Exceptions

Section III: Special Circumstances and Exceptions to Standard Reexamination Schedules

The FHC will modify the standard reexamination schedule for the following circumstances:

1. Zero-Income Households:
 - a. Households reporting zero income will receive quarterly reexaminations regardless of the standard schedule
 - b. Once income is established, the household may return to the standard schedule appropriate for their situation
2. Temporary Compliance Determination for Mixed Families:
 - a. Mixed families (those with both eligible and ineligible immigrants) must have eligibility status verified annually
 - b. Income determination may follow biennial or triennial schedules if otherwise eligible
3. Reasonable Accommodation:
 - a. The FHC may modify reexamination frequency as a reasonable accommodation for persons with disabilities
 - b. Accommodations may include more frequent reexaminations if requested to align with changing circumstances
4. Moving with Continued Assistance:
 - a. For HCV families, a full reexamination will be conducted when a family moves to a new unit
 - b. The anniversary date may be reset based on the move date
5. Enhanced Vouchers and Project-Based Section 8 Conversions:
 - a. Special requirements for enhanced vouchers will be observed regardless of reexamination schedule
 - b. Project-based Section 8 conversion properties will follow the same reexamination frequency policies
6. RAD (Rental Assistance Demonstration) Properties:
 - a. RAD PBV units will follow the HCV reexamination frequency policies
 - b. RAD PBRA units will follow Section 8 Multifamily Housing reexamination requirements
7. VAWA Emergency Transfers:
 - a. When a family receives an emergency transfer under VAWA, the PHA will conduct a full reexamination
 - b. A new anniversary date may be established based on the transfer date"

Summary of Reexamination Requirements

Section IV: Summary of HOTMA Reexamination Requirements by Program

FHC implements the following reexamination schedules in compliance with HOTMA:

1. Public Housing Program:
 - a. Standard families: Annual reexaminations
 - b. Fixed-income households (90%+ fixed income): Triennial full reexaminations with COLA adjustments in intervening years
 - c. Over-income tracking: Annual income comparisons to 120% AMI threshold
 - d. Community service: Annual compliance verification for non-exempt residents
2. Housing Choice Voucher Program:
 - a. Standard families: Annual reexaminations
 - b. Stable-income families (if implemented): Biennial reexaminations
 - c. Fixed-income households (90%+ fixed income): Triennial full reexaminations with COLA adjustments in intervening years
 - d. Payment Standards: Annual review and adjustment if needed
3. Project-Based Voucher Program:
 - a. Standard families: Annual reexaminations
 - b. Fixed-income households (90%+ fixed income): Triennial full reexaminations with COLA adjustments in intervening years
 - c. Site-based requirements: May include additional owner-required annual certifications
4. Moderate Rehabilitation Program:
 - a. Standard families: Annual reexaminations
 - b. Fixed-income households (90%+ fixed income): Triennial full reexaminations with COLA adjustments in intervening years"

The implementation of these schedules will be phased in as follows:

1. Phase 1: July 1,2025 – Implementation of triennial reexaminations for eligible fixed-income households
2. Phase 2: July 1,2025 – Implementation of biennial reexaminations for eligible stable-income households (if approved by FHC)
3. Phase 3: July 1,2025 – Full implementation of all HOTMA-authorized reexamination schedules

Interim Reexamination Policies Under HOTMA

Section I: Interim Reexaminations Under HOTMA

In accordance with the Housing Opportunity Through Modernization Act (HOTMA) and implementing regulations, this Flint Housing Commission (FHC) establishes the following policies regarding interim reexaminations:

1. Reporting Requirements: Families are required to report the following changes between annual reexaminations within 10 business days of occurrence:
 - a. Changes in family composition including:
 - i. Addition of family members through birth, adoption, court-awarded custody, or marriage/partnership
 - ii. Departure of any family member
 - b. Income changes:
 - i. For families paying income-based rent: Increases in family income that cumulatively exceed 10% of annual income
 - ii. For families paying the minimum rent or who have zero income: Any increase in income
 - iii. For all families: Any decrease in income that would result in a rent reduction
 - c. Changes in eligible deductions or allowances

2. PHA-Initiated Interim Reexaminations: The FHC will conduct interim reexaminations when:
 - a. The PHA discovers unreported income or family composition changes
 - b. A family's income source changes
 - c. The PHA verifies that a family claiming zero income has begun receiving income
 - d. Other circumstances as determined by the FHC with reasonable cause

3. Streamlined Income Verification: For interim reexaminations, the FHC will:
 - a. Limit verification to the specific reported change(s)
 - b. Accept tenant-provided third-party documentation dated within 60 days of the FHC interview
 - c. Use EIV and other electronic verification methods when appropriate
 - d. Apply streamlined verification methods as authorized by HOTMA

4. Processing Timeline: The FHC will:
 - a. Begin processing interim reexaminations within 10 business days of receiving all required documentation
 - b. Provide 30-day notice to the family of any rent increase
 - c. Implement rent decreases on the first day of the month following the reported change, providing all required documentation is submitted in a timely manner

5. Effective Dates of Interim Adjustments:
 - a. Rent Increases: Will become effective on the first day of the month following a 30-day notice to the family
 - b. Rent Decreases: Will become effective on the first day of the month following the reported change, once verified
 - c. Retroactive Adjustments:
 - i. For unreported increases in income: The FHC may implement retroactive rent increases back to the first of the month following the date the change occurred
 - ii. For decreases in income: The PHA will not apply retroactive rent reductions

6. HOTMA-Specific Policies for Interim Reexaminations:
 - a. Fixed-income households (90% or more fixed income):
 - i. Interim changes in non-fixed income sources must be reported only if they exceed 10% of total household income
 - ii. Documentation of changes in deductions may be deferred to the next annual reexamination unless the family requests immediate adjustment
 - b. Asset limitations:
 - i. Families must report acquisition of assets when the total net household assets would exceed \$100,000
 - ii. Families must report acquisition of real property
 - iii. The PHA will verify newly reported assets and determine continued eligibility
 - c. Over-income families in Public Housing:
 - i. If a family reports an increase in income that would exceed the over-income threshold (120% of AMI), the FHC will document the change and begin tracking the two-year period
 - ii. If a family reports a decrease in income that would bring the family below the over-income threshold, the FHC will conduct an interim reexamination and reset any over-income time period
7. Hardship Policies: The FHC will consider written requests for hardship exemptions related to interim reporting requirements when:
 - a. The family can document an emergency situation or unexpected significant expense
 - b. The family would be unable to pay the higher rent due to financial hardship
 - c. Other circumstances determined by the FHC to warrant an exemption
8. Minimum Rent Hardship: For families paying minimum rent who experience a loss of income, the FHC will:
 - a. Temporarily suspend the minimum rent requirement upon request
 - b. Conduct an interim reexamination to verify the hardship
 - c. Implement one of the following based on hardship verification:
 - i. Temporary hardship (expected to last 90 days or less): Retroactively reinstate minimum rent after hardship ends
 - ii. Long-term hardship: Exempt the family from minimum rent until the next annual reexamination

Special Circumstances for Interim Reexaminations

Section II: Special Circumstances for Interim Reexaminations Under HOTMA
FHC established the following policies for special circumstances related to interim reexaminations:

1. Earned Income Disallowance (EID):
 - a. The FHC will conduct interim reexaminations to track the 24-month period of income exclusion for qualified families
 - b. For the first 12-month exclusion period: 100% of the increase in income is excluded
 - c. For the second 12-month exclusion period: 50% of the increase in income is excluded
 - d. The FHC will track the full 24-month period regardless of interruptions in employment
2. Family Self-Sufficiency (FSS) Program Participants:
 - a. FSS participants may request interim reexaminations to increase their rent contributions for the purpose of increasing escrow deposits
 - b. The FHC will process these requests in accordance with FSS program guidelines
 - c. Increases in rent due to increased earnings will result in corresponding increases to the FSS escrow account
3. Income Exclusion for Full-Time Students:
 - a. The FHC will conduct interim reexaminations when a family member aged 18 or older becomes a full-time student
 - b. Income above \$480 annually for full-time students (other than the head, co-head, or spouse) will be excluded
 - c. The family must provide verification of full-time student status
4. Zero-Income Households:
 - a. Families reporting zero income will be subject to interim reexaminations every 90 days
 - b. The FHC will require families to complete a zero-income checklist and expense form
 - c. The FHC will use HUD's Enterprise Income Verification (EIV) system monthly to identify unreported income
5. Live-in Aides:
 - a. The FHC will conduct an interim reexamination when a family requests to add a live-in aide
 - b. The live-in aide's income will not be included in the family's annual income calculation
 - c. The FHC will verify that the person meets HUD's definition of a live-in aide
 - d. A separate bedroom may be allocated for an approved live-in aide
6. Decreases in Deductions:
 - a. Families are required to report decreases in eligible deductions
 - b. The FHC will conduct an interim reexamination to verify the change
 - c. Any resulting rent increase will be effective with 30 days' notice

7. Delayed Reporting:

- a. For increases in income reported more than 10 business days after occurrence:
 - i. The FHC may implement a retroactive rent increase
 - ii. The FHC may pursue repayment of underpaid rent
- b. Families may request consideration of mitigating circumstances
- c. The FHC will consider the family's history of compliance when determining appropriate action

8. Temporary/Sporadic Income:

- a. Families are not required to report temporary or sporadic income at interim reexaminations
- b. The FHC may verify the temporary nature of income changes
- c. Regular seasonal income will be considered for annualization at annual reexamination

9. Income from Assets:

- a. Consistent with HOTMA asset limitation provisions, families must report changes in assets at interim reexaminations when:
 - i. Total household assets would exceed \$100,000
 - ii. The family acquires real property
- d. For assets below the threshold, changes in asset income may be deferred to the annual reexamination unless reporting would result in a rent decrease"

Implementation and Documentation Requirements

Section III: Implementation and Documentation of Interim Reexaminations

FHC will implement interim reexamination procedures in accordance with the following guidelines:

1. Required Documentation:

- a. Change in income: At least one month of source documentation (pay stubs, benefit verification)
- b. Change in family composition: Legal documentation of addition or removal of family members
- c. Change in deductions: Medical expense receipts, childcare provider statements
- d. Self-employment: Profit and loss statements, business records
- e. Asset changes: Bank statements, property deeds, investment account statements

2. Notification System:

- a. The FHC will provide written notification of required interim reporting through:
 - i. Initial leasing packets and annual recertification documents
 - ii. Tenant newsletters and housing authority website
 - iii. Posted notices in FHC offices
- b. Notification will be available in multiple languages as needed for LEP populations

3. Record Keeping:

- a. The FHC will maintain records of all interim reexaminations including:
 - i. Date of reported change
 - ii. Documentation collected
 - iii. Verification methods used
 - iv. Resulting rent adjustments
 - v. Notifications provided to families
- b. Records will be maintained for at least three years

4. Quality Control:

- a. The FHC will review a random sample of interim reexaminations monthly
- b. At least 5% of processed interim reexaminations will be selected for quality control review
- c. Staff will receive regular training on HOTMA requirements related to interim reexaminations

5. Reasonable Accommodation:

- a. The FHC will consider requests for reasonable accommodations in the interim reexamination process
- e. Accommodations may include home visits, extended deadlines, or alternative documentation methods
- c. Requests for accommodation will be documented and maintained in the tenant file

***Types of income excluded – Fixed Income**

According to PIH Notice 2023-27,2020-32, PIH 2024-38, fixed income sources include:

1. Supplemental Security Income (SSI)

2. Social Security payments including:

- Disability insurance benefits
- Regular Social Security retirement benefits
- Railroad Retirement benefits

3. Federal, state, local or private pension plans

4. Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts

5. Any other source of income subject to adjustment by a verifiable COLA or current rate of interest (such as Veterans Administration (VA) Disability)

Note: A key point to remember is that to qualify as a "fixed-income family" under HOTMA:

- At least 90% of the family's unadjusted income must come from these fixed income sources
- The FHC must verify whether a family meets this 90% threshold
- If family income changes to less than 90% from fixed sources, they no longer qualify for triennial recertification

***Income requiring annual reexaminations**

According to HUD guidance, income types that require annual reexaminations (non-fixed income) include:

1. Employment Income:

- Wages
- Salaries
- Overtime pay
- Commissions
- Tips
- Bonuses
- Other employment compensation

2. Business Income:

- Self-employment income
- Income from operation of a business
- Professional service income

3. Variable Public Assistance:

- TANF benefits (when not fixed)
- General Assistance
- Other welfare payments that can vary

4. Seasonal or Irregular Income:

- Temporary work
- Seasonal employment
- Fluctuating child support payments
- Sporadic gifts or contributions

5. Investment Income with Variable Returns:

- Interest from non-fixed rate accounts
- Dividends
- Variable rental income
- Other capital investments with fluctuating returns

6. Any combination of income sources where:

- Less than 90% comes from fixed income sources
- Income amounts are subject to frequent changes
- Income cannot be reliably predicted for a full year

Notes:

- FHC must conduct full reexaminations annually for families with these income types
- Families must still report interim changes according to FHC policy

National Standards for the Physical Inspection of Real Estate NSPIRE

HOTMA (Housing Opportunity Through Modernization Act) and NSPIRE (National Standards for the Physical Inspection of Real Estate) are two significant HUD initiatives that intersect in important ways for Public Housing Authorities. Here's detailed language that PHAs can include in their ACOP and Administrative Plans regarding this integration:

Physical Inspection Standards and Compliance

Section I: NSPIRE Implementation Under HOTMA

In accordance with HOTMA Section 101 and HUD's implementation of the National Standards for the Physical Inspection of Real Estate (NSPIRE), FHC establishes the following policies:

1. **Inspection Protocol Transition:** The FHC will transition from the Uniform Physical Condition Standards (UPCS) and Housing Quality Standards (HQS) to the NSPIRE standards according to the following schedule:
 - a. Staff training on NSPIRE protocols to be completed by July 1, 2025
 - b. NSPIRE standards will be fully implemented for all inspections by July 1, 2025
 - c. All inspection forms, checklists, and documentation will be updated to reflect NSPIRE requirements
2. **Initial Unit Approval:** In compliance with HOTMA Section 101(a)(3), the FHC will:
 - a. Inspect units prior to executing a HAP contract to verify compliance with NSPIRE standards
 - b. Allow occupancy of units that fail the initial inspection only if:
 - i. The unit has non-life-threatening (NLT) deficiencies only; and
 - ii. The deficiencies are corrected within 30 days of FHC notification
 - c. Withhold assistance payments if deficiencies are not corrected within the specified timeframe
3. **Alternative Inspection Methods:** As authorized by HOTMA Section 101(a)(1), FHC will:
 - a. Accept inspections conducted under other federal, state, or local housing programs that meet or exceed NSPIRE standards
 - b. Recognize inspections completed within the previous 24 months
 - c. Require documentation that any identified deficiencies have been remediated
 - d. Conduct its own quality control inspections on at least 5% of units approved via alternative inspection methods
4. **Self-Certification of Repairs:** In accordance with HOTMA provisions, FHC will:
 - a. Accept owner and tenant certifications for non-life-threatening deficiencies
 - b. Require photographic or other supporting documentation with self-certifications
 - c. Conduct follow-up inspections on at least 20% of units approved via self-certification
 - d. Maintain a registry of owners who have submitted false certifications and require in-person verification for these owners on future inspections

5. Biennial Inspections: As permitted by HOTMA Section 101(a)(1), FHC will:
 - a. Conduct regular inspections at least once every two years
 - b. Implement a risk-based approach that considers:
 - i. Property age and construction type
 - ii. Owner's inspection history and compliance record
 - iii. Tenant complaints and maintenance requests
 - iv. Neighborhood factors and environmental conditions
 - c. Continue to conduct special inspections upon request or when deficiencies are suspected
 - d. Maintain records of all inspection schedules, results, and follow-up actions

NSPIRE Standards Implementation

Section II: NSPIRE Standards and Evaluation Methods

FHC adopts the following specific NSPIRE standards as required by HOTMA implementation:

1. Inspection Categories: All units will be evaluated across the three NSPIRE categories:
 - a. Dwelling Units (Inside)
 - b. Building Systems and Common Areas
 - c. Site (Outside)
2. Deficiency Classification: The FHC will classify deficiencies according to NSPIRE severity levels:
 - a. Life-Threatening or Emergency Conditions that present immediate danger to residents
 - b. Non-Life-Threatening Conditions that fail NSPIRE standards but do not pose immediate danger
 - c. Standard-Level Deficiencies that represent minor deviations from standards
3. Life-Threatening Conditions: The following conditions must be remediated within 24 hours:
 - a. Gas leaks or strong gas odors
 - b. Exposed electrical wiring or improper electrical connections
 - c. Structural failures that may result in building collapse
 - d. Blocked or unusable emergency/fire exits
 - e. Inoperable smoke or carbon monoxide detectors
 - f. Lack of functioning heating during winter months
 - g. No functioning toilet in the unit
 - h. Other conditions defined by HUD as immediately hazardous
4. Non-Life-Threatening Conditions: The following conditions must be remediated within 30 days:
 - a. Water leaks and moisture issues not causing immediate structural damage
 - b. Inoperable appliances
 - c. Deteriorated paint in units built before 1978
 - d. Tripping hazards
 - e. Minor electrical issues not posing immediate electrocution risk
 - f. Inoperable window or door hardware

- g. Other conditions that fail inspection but do not present immediate danger
5. Economic Self-Sufficiency Incentives: Consistent with HOTMA provisions, FHC will:
- a. Implement inspection incentives for landlords participating in HUD-approved self-sufficiency programs
 - b. Allow expedited initial inspections and extended biennial inspection schedules for units in high-opportunity neighborhoods
 - c. Develop partnerships with housing providers that maintain above-average physical conditions

Small PHA Streamlined Assessment

Section III: Small FHC Assessment System Under HOTMA and NSPIRE

For PHAs designated as small PHAs (operating 550 or fewer combined public housing units and vouchers), the following applies:

1. Streamlined Assessment: In accordance with HOTMA Section 209, FHC will participate in the streamlined assessment system that:
 - a. Consolidates the physical inspection protocol with financial and management indicators
 - b. Reduces administrative burden while maintaining compliance with NSPIRE standards
 - c. Allows for reduced frequency of comprehensive assessments based on performance
2. Physical Assessment: The FHC will:
 - a. Conduct NSPIRE-compliant self-inspections of a representative sample of units annually
 - b. Submit certification of completion and summary results to HUD
 - c. Address all identified life-threatening conditions immediately
 - d. Develop and implement a corrective action plan for all other deficiencies
3. Environmental Hazard Testing: The FHC will conduct and document:
 - a. Lead-based paint assessments in pre-1978 buildings
 - b. Radon testing in accordance with EPA guidelines
 - c. Asbestos evaluation and management
 - d. Carbon monoxide detector installation and testing
 - e. Mold and moisture prevention protocols"

HOTMA's Impact on NSPIRE Implementation Timeline

Section IV: NSPIRE Implementation Timeline under HOTMA

FHC acknowledges that HOTMA establishes statutory authority for HUD's implementation of NSPIRE and adopts the following implementation schedule:

1. Transition Period: The FHC will:
 - a. Maintain parallel inspection protocols until full NSPIRE implementation

- b. Conduct staff training on NSPIRE standards and protocols
 - c. Update software systems to accommodate NSPIRE data collection
 - d. Inform residents and property owners about the transition to NSPIRE
2. Full Implementation: By July 1, 2025, the FHC will:
- a. Exclusively use NSPIRE standards for all inspections
 - b. Implement HUD's NSPIRE software solutions for documentation
 - c. Maintain inspection records in accordance with NSPIRE requirements
 - d. Participate in HUD's ongoing NSPIRE data collection initiatives
3. Tenant Protection: In accordance with HOTMA's emphasis on housing quality and habitability, the FHC will:
- a. Establish clear procedures for reporting deficiencies between inspections
 - b. Provide residents with education on identifying life-threatening conditions
 - c. Implement a centralized tracking system for maintenance requests
 - d. Conduct prompt special inspections in response to reported serious deficiencies

Administrative Plan

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Introduction and Statutory Authority

1.1 Introduction to HOTMA Provisions

This chapter outlines the Flint Housing Commission (FHC) policies regarding implementation of the Housing Opportunity Through Modernization Act (HOTMA) of 2016 (Public Law 114-201) and subsequent implementing regulations. The provisions contained in this chapter supersede any conflicting provisions elsewhere in this Administrative Plan.

1.2 Statutory Authority

The policies and procedures outlined in this chapter implement various sections of HOTMA of 2016 particularly Sections 102, 103, and 104 which address specific elements intended to improve the functionality and efficiency of housing assistance programs administered by HUD:

1. Section 102 - Income Reviews for Public Housing and Section 8 Programs:

- This section modifies the requirements for income reviews, specifically for the Public Housing and Section 8 rental assistance programs.
- It introduces more flexible timelines for income re-certifications, particularly for families with fixed incomes.
- Income reviews can be conducted every three years for those on fixed incomes, instead of the annual reviews previously required. This change aims to reduce administrative burdens on housing authorities and simplify the process for tenants.

2. Section 103 - Limitation on Public Housing Tenancy for Over-Income Families:

- This section addresses the presence of over-income tenants in public housing.
- It establishes guidelines and criteria under which public housing agencies must either terminate the tenancy or charge market rent to families exceeding the income limits for a defined period.
- This provision ensures that public housing resources prioritize families who meet the income eligibility criteria and are most in need of assistance.

3. Section 104 - Limitation on Eligibility for Assisted Housing Based on Assets:

- This section sets limitations on eligibility for assisted housing programs based on a family's assets.
- Families with assets above a certain threshold may be deemed ineligible for certain housing assistance programs.
- The goal is to focus resources on families with the greatest financial need and ensure that housing assistance aligns with the intended purpose of serving low-income populations.

These policies have been developed in accordance with HUD regulations, Federal Register notices, PIH notices, and other applicable guidance implementing HOTMA provisions.

1.3 Effective Dates

The HOTMA provisions described in this chapter will be implemented according to the following schedule:

- Asset limitations: July 1, 2025
- Streamlined annual reexaminations: July 1, 2025
- Project-based voucher program changes: July 1, 2025
- Housing quality standards alternatives: July 1, 2025
- Self-certification of assets: July 1, 2025

Each section of this chapter includes specific implementation dates for the applicable provisions.

Asset Limitation Policies

2.1 Net Asset Limitations

In accordance with Section 104 of HOTMA, the FHC establishes the following policies regarding asset limitations:

2.1.1 Asset Threshold for Eligibility

Applicant families with net assets exceeding \$100,000 (as adjusted annually by HUD) are ineligible for admission to the Housing Choice Voucher program. This limitation applies to all members of the household collectively, not to individual household members.

2.1.2 Asset Threshold for Continued Participation

Participant families whose net assets exceed \$100,000 (as adjusted annually by HUD) will no longer be eligible for continued assistance. Such families will be terminated from the program after receiving proper notification from the FHC and being afforded the opportunity for an informal hearing.

2.1.3 Calculation of Net Assets

For purposes of this requirement, "net family assets" has the same meaning as provided in 24 CFR 5.603, except that net family assets do not include:

1. The value of necessary items of personal property (e.g., furniture, automobiles)
2. The value of a trust fund not controlled by or accessible to a household member
3. The value of a special needs trust established for the benefit of a household member with a disability
4. Assets that are part of an active business
5. Retirement accounts that cannot be accessed without penalty before retirement age
6. Amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty that resulted in a member of the family being disabled

2.1.4 Annual Adjustment

The Flint Housing Commission will adjust the asset limitation threshold annually in accordance with the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

2.2 Asset Verification

2.2.1 Initial Eligibility

For initial eligibility determinations, the Flint Housing Commission will require families to provide documentation to verify all assets. Such documentation may include:

1. Bank statements covering the most recent six-month period
2. Statements from investment and retirement accounts
3. Real estate tax statements and appraisals
4. Mortgage statements
5. Life insurance policies with cash value information
6. Other documentation as deemed necessary by the FHC

2.2.2 Annual Reexamination

For annual reexaminations, the Flint Housing Commission will follow a streamlined verification process for assets:

1. For families with net assets less than \$50,000, the Flint Housing Commission will accept a family's declaration of the amount of assets and the amount of income expected to be received from those assets.
2. For families with net assets of \$50,000 or more but less than \$100,000, the Flint Housing Commission will verify assets through third-party verification.

2.2.3 Reporting Changes in Assets

Families must report any change in assets that would result in total net assets exceeding \$100,000 within 30 days of the change.

Income Examination Policies

3.1 Frequency of Income Examinations

In accordance with Section 102 of HOTMA, the FHC adopts the following schedule for income examinations:

3.1.1 Standard Reexamination Schedule

The Flint Housing Commission will conduct a full income reexamination for all families at least once every 12 months, except as provided below for families with fixed incomes.

3.1.2 Streamlined Reexaminations for Fixed Income Families

For families where 90% or more of the household income is derived from fixed income sources, the Flint Housing Commission will conduct a full income reexamination once every three years. In the intervening years, the Flint Housing Commission will apply a verified cost-of-living adjustment (COLA) or interest rate adjustment specific to each fixed income source.

3.1.3 Biennial HQS Inspections

The Flint Housing Commission will conduct Housing Quality Standards (HQS) inspections at least once every 24 months, rather than annually, in accordance with HOTMA provisions.

3.1.4 Interim Reexaminations

Families may request an interim reexamination of income when they experience a decrease in income of at least 10%

Families are required to report increases in income that exceed 10% within 30 days of the increase.

3.2 Annual Reexamination Process

3.2.1 Scheduling

The Flint Housing Commission will schedule annual reexaminations to coincide with the family's anniversary date. The FHC will begin the annual reexamination process approximately 120 days in advance of the scheduled effective date.

3.2.2 Notification

Families will be notified in writing of the requirement to recertify. The notification will inform the family of:

1. The date, time, and location of the scheduled reexamination interview
2. The information and documentation that must be provided
3. The option to request a reasonable accommodation

3.2.3 Verification

The Flint Housing Commission will follow HUD's verification hierarchy as outlined in PIH Notice 2018-18 (or subsequent guidance) when conducting reexaminations.

3.3 Fixed Income Households

3.3.1 Definition of Fixed Income

For purposes of streamlined reexaminations, "fixed income" includes:

1. Social Security payments (including Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI))
2. Federal, state, local, and private pension plans
3. Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts
4. Any other source of income subject to adjustment by a verifiable COLA or rate of interest

3.3.2 Verification of Fixed Income Status

The FHC will verify all income sources to determine whether a family qualifies as a fixed-income family (with at least 90% of income from fixed sources) during:

1. Initial eligibility determination
2. Every third annual reexamination

3.3.3 COLA and Adjustment Factor Application

The Flint Housing Commission will use:

1. COLA or adjustment factor provided by the applicable benefit provider
2. Published COLA that applies to the applicable benefit
3. For income sources where a COLA or current rate of interest is not available, the Flint Housing Commission will use the percentage of adjustment established by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

Project-Based Voucher Program

4.1 Program Cap

4.1.1 Basic Program Cap

In accordance with HOTMA Section 106, the FHC may project-base up to 20% of its authorized Housing Choice Voucher units.

4.1.2 Program Cap Exception

The Flint Housing Commission may project-base an additional 10% of its authorized units, above the 20% program limit, for units that:

1. Are exclusively made available to house homeless families
2. Are exclusively made available to house veterans
3. Provide supportive housing to persons with disabilities or elderly persons
4. Are located in a census tract with a poverty rate of 20% or less, as determined by HUD

4.1.3 Cap Calculation

The Flint Housing Commission will calculate the 20% and 30% program cap limitations based on the total number of authorized voucher units. The FHC will update this calculation when its authorized voucher capacity changes.

4.2 Project Cap

4.2.1 Basic Project Cap

The Flint Housing Commission will not project-base more than the greater of 25 units or 25% of the units in any project.

4.2.2 Project Cap Exceptions

The 25% project cap does not apply to units that:

1. Are exclusively for elderly families
2. Are for households eligible for supportive services, available to all families receiving PBV assistance in the project
3. Are located in a census tract with a poverty rate of 20% or less, as determined by HUD

4.3 PBV Contract Terms

4.3.1 Initial Contract Term

The Flint Housing Commission may enter into a HAP contract for a PBV project with an initial term of up to 20 years.

4.3.2 Contract Extensions

The Flint Housing Commission may agree to extend the term of a HAP contract for up to an additional 20 years, subject to:

1. Funding availability
2. Continued eligibility of the PBV project
3. A determination by the FHC that extension is appropriate

4.3.3 Rent Adjustments

The Flint Housing Commission will adjust PBV contract rents:

1. In accordance with the terms of the HAP contract
 2. Based on HUD's Operating Cost Adjustment Factors (OCAF) or other approved adjustment method
 3. Upon owner request, limited to once per 12-month period
- ### 4.4 Owner Proposal Selection

4.4.1 Solicitation Methods

The Flint Housing Commission will select PBV proposals using one or more of the following methods:

1. Request for Proposals (RFP) specifically for PBV proposals
2. Selection of proposals previously selected based on a competition, including those selected under a federal, state, or local housing assistance program
3. Selection of projects where the FHC has an ownership interest or control without competition where the FHC is engaged in an initiative to improve, develop, or replace a public housing property or site

4.4.2 Criteria for Selection

Selection criteria may include:

1. Location in areas of opportunity
2. Quality of housing
3. Owner experience and capability
4. Extent to which services are provided on-site
5. Size of units (number of bedrooms)
6. Accessibility features
7. Other factors as determined by the FHC

4.5 Tenant Selection and Mobility

4.5.1 Waiting List

The Flint Housing Commission will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance, or may utilize the following waiting list approaches:

1. A site-based waiting list managed by the FHC
2. A site-based waiting list managed by the owner with FHC oversight
3. A centralized PBV waiting list with preferences for specific PBV properties

4.5.2 Tenant Mobility

After 12 months of occupancy in a PBV unit, a family may terminate the assisted lease and request tenant-based rental assistance in accordance with the following provisions:

1. If tenant-based vouchers are available, the FHC will offer the family the next available tenant-based voucher
2. If no tenant-based vouchers are available, the family will be placed on a waiting list for a tenant-based voucher with priority over other families
3. The FHC will not limit the number of tenant-based vouchers dedicated to assisting

PBV families who wish to exercise mobility options

4.6 FHC-Owned Units

4.6.1 Definition of FHC-Owned Units

Under HOTMA Section 105, units are considered "owned by a FHC" if the FHC or its officers, employees, or agents:

1. Hold a direct or indirect interest in the building in which the unit is located;
2. Have a direct or indirect interest in the management of the building;
3. Have an interest in the owner entity; or
4. Exercise control over the building/property

4.6.2 Independent Entity Requirements

For FHC-owned units, the following must be performed by an independent entity approved by HUD:

1. Determination of rent reasonableness
2. Initial and ongoing unit inspections
3. Review of contract extensions
4. Other required activities that would typically be performed by the FHC for units it does not own

Housing Quality Standards

5.1 Initial Inspections

5.1.1 Alternative Inspection Methods

In accordance with HOTMA Section 101, the FHC may approve tenancy and begin making housing assistance payments for a unit that fails to meet Housing Quality Standards (HQS), provided that:

1. The unit has passed an alternative inspection within the previous 24 months; and
2. The unit's deficiencies are not life-threatening.

Alternative inspection methods that the Flint Housing Commission may accept include:

1. Inspections completed under the HOME Investment Partnerships Program
2. Inspections completed under the Low-Income Housing Tax Credit program
3. Inspections performed by HUD's Real Estate Assessment Center (REAC)

5.1.2 Non-Life-Threatening Deficiencies

If a unit fails an initial inspection due to non-life-threatening deficiencies, the Flint Housing Commission may approve the tenancy, execute the HAP contract, and begin making housing assistance payments if:

1. The owner corrects the deficiencies within 30 days of the FHC notifying the owner of the deficiencies; and
2. The FHC verifies the correction of the deficiencies in accordance with its verification policies.

If the owner does not correct the deficiencies within 30 days, the FHC will withhold housing assistance payments until the deficiencies are corrected and verified.

5.1.3 Life-Threatening Deficiencies

If a unit fails an initial inspection due to life-threatening deficiencies, the FHC will not approve the tenancy or execute the HAP contract until such deficiencies are corrected and verified.

Life-threatening deficiencies include:

1. Gas leaks
2. Exposed/arcing electrical wiring
3. Structural damage that may result in building collapse
4. Inoperable smoke detectors
5. Lack of a functioning heating system when outside temperature is below 65 degrees

5.2 Biennial Inspections

5.2.1 Biennial Inspection Schedule

The Flint Housing Commission will conduct a full HQS inspection of each assisted unit at least once every 24 months, rather than every 12 months.

5.2.2 Risk-Based Scheduling

The Flint Housing Commission may adopt a risk-based inspection schedule that prioritizes high-risk units for more frequent inspections. High-risk units may include:

1. Units with a history of failed inspections
2. Units owned by landlords with a history of non-compliance
3. Units in specific geographic areas with higher rates of HQS non-compliance
4. Older properties that may require more maintenance
5. Properties with reported problems between regular inspections

5.2.3 Quality Control Inspections

The Flint Housing Commission will conduct quality control inspections of a sample of units to ensure consistency and accuracy of HQS determinations.

5.3 Interim Inspections

5.3.1 Complaint Inspections

The Flint Housing Commission will conduct a complaint inspection when:

1. A family or government official reports a potential life-threatening deficiency; or
2. A family or government official reports a potential non-life-threatening deficiency, and the owner fails to take corrective action within 24 hours of notification.

5.3.2 Deficiency Repair Timeframes

1. Life-threatening deficiencies must be corrected or mitigated within 24 hours.
2. Non-life-threatening deficiencies must be corrected within 30 days, unless the FHC approves an extension.

5.3.3 Verification of Repairs

The Flint Housing Commission will verify completion of repairs through:

1. On-site inspection for life-threatening deficiencies
2. Owner and tenant certification with supporting documentation (photos, receipts, etc.) for non-life-threatening deficiencies
3. Follow-up inspection as needed

5.4 Alternative Methods of Verification

5.4.1 Remote Verification

The Flint Housing Commission may utilize remote verification methods for certain HQS components, including:

1. Video conferences with the tenant and/or owner
2. Photographs or video recordings of specific HQS components
3. Owner and tenant certification with supporting documentation
4. Other remote verification methods approved by the FHC

5.4.2 Self-Certification of Repairs

The Flint Housing Commission may accept owner and tenant certification of repairs for non-life-threatening deficiencies when:

1. The repairs are minor in nature
2. The owner and tenant both certify the repairs have been completed
3. The owner provides supporting documentation (receipts, photos, etc.)
4. The unit does not have a history of repeated HQS violations

Utility Allowances

6.1 Utility Allowance Schedule

6.1.1 Establishment of Schedule

The Flint Housing Commission will maintain a utility allowance schedule for all tenant-paid utilities, based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality.

6.1.2 Annual Review

The Flint Housing Commission will review the utility allowance schedule annually. If there has been a change of 10% or more in the utility rate since the last revision of the schedule, the schedule will be revised to reflect the new rate.

6.2 Applicable Utility Allowance

6.2.1 Determination of Allowance

In accordance with HOTMA Section 102, the FHC will establish a utility allowance based on the lower of:

1. The unit size for which the family qualifies based on the FHC's subsidy standards; or
2. The size of the dwelling unit actually leased by the family.

Example: If a family qualifies for a 3-bedroom voucher but chooses to lease a 4-bedroom unit, the utility allowance will be based on the 3-bedroom rate.

6.2.2 Reasonable Accommodation

The Flint Housing Commission will approve a utility allowance amount higher than the applicable unit size when a higher allowance is needed as a reasonable accommodation for a family member with a disability.

Documentation of the need for a reasonable accommodation must be provided in accordance with the FHC's reasonable accommodation policies.

6.3 Utility Reimbursement

6.3.1 Payment Method

When a family's utility allowance exceeds the total tenant payment, the FHC will provide the family with a utility reimbursement payment. The FHC will make utility reimbursements as follows:

1. Direct payment to the family
2. Direct payment to the utility supplier(s) on behalf of FHC for the family
3. A combination of options 1 and 2

6.3.2 Frequency of Reimbursement

The Flint Housing Commission will make utility reimbursement payments monthly. If the reimbursement amount is \$45 or less per quarter, the payment will be made quarterly.

Payment Standards

7.1 Establishment of Payment Standards

7.1.1 Payment Standard Range

The Flint Housing Commission will establish payment standards between 90% and 110% of the Fair Market Rent (FMR) for each unit size.

7.1.2 Small Area Fair Market Rents (SAFMRs)

When applicable, the Flint Housing Commission will implement Small Area Fair Market Rents (SAFMRs) as the basis for payment standards by ZIP codes.

Payment standards for these ZIP codes will be set between 90% and 110% of the applicable SAFMR.

7.1.3 Exception Payment Standards

The Flint Housing Commission may establish exception payment standards up to 120% of the FMR or SAFMR without HUD approval for a specific unit as a reasonable accommodation for a family that includes a person with a disability.

Exception payment standards above 120% may be requested from HUD.

7.2 Payment Standard Changes

7.2.1 Annual Review

The Flint Housing Commission will review its payment standards at least annually when new FMR or SAFMR data is published by HUD.

7.2.2 Impact Analysis

Before implementing a change in payment standards, the FHC will analyze the impact on:

1. Families currently receiving housing assistance
2. Program utilization rates
3. Success rates of voucher holders in finding units
4. Percentage of annual income families are paying for rent
5. Location of assisted units compared to areas of opportunity

7.2.3 Effective Date of Changes

Decreases in payment standards will be applied at the second annual reexamination following the payment standard decrease or at a family's move to a new unit, whichever comes first.

Increases in payment standards will be applied at the annual reexamination following the payment standard increase or at a family's move to a new unit, whichever comes first.

7.3 Subsidy Standards

7.3.1 Voucher Size Assignment

The Flint Housing Commission will assign a voucher size based on the following subsidy standards:

1. The smallest unit size consistent with program requirements
2. One bedroom for the head of household and spouse/partner
3. One bedroom for each additional two household members
4. Consideration of factors such as age, gender, health, disability, and relationship of household members
5. Verified need for a live-in aide

7.3.2 Unit Size Selected by Family

The family may lease a unit with fewer bedrooms than the voucher size, provided the unit meets HQS space standards.

The family may lease a unit with more bedrooms than the voucher size, but the payment standard will be based on the voucher size.

Family Absence from Unit

8.1 Absence from Unit

8.1.1 Definition of Family Absence

The Flint Housing Commission considers a family absent from the unit if no family member is residing in the unit for more than 90 consecutive days.

8.1.2 Notification Requirements

The family must request prior approval from the Flint Housing Commission for absences exceeding 30 days. Failure to notify the FHC may result in termination of assistance.

8.2 Absence Due to Special Circumstances

8.2.1 Extended Absences

In accordance with HOTMA, the FHC may approve absences from a unit for up to 180 consecutive calendar days for specific family circumstances, such as:

1. Hospitalization or other medical treatment
2. Military deployment
3. Temporary work relocation
4. Incarceration (may be limited to shorter duration)
5. Extended travel due to family emergency
6. Other circumstances as approved by the FHC

8.2.2 Documentation Requirements

The family must provide documentation to support the reason for the extended absence, which may include:

1. Medical documentation
2. Military orders
3. Employer verification
4. Court records
5. Other appropriate documentation

8.2.3 Continued Payments During Absence

The Flint Housing Commission will continue to make housing assistance payments on behalf FHC of the family during approved absences for up to 60 consecutive calendar days.

8.3 Family Absence Exceeding 180 Days

The Flint Housing Commission will terminate HAP contracts when the entire family is absent from the unit for more than 180 consecutive calendar days, regardless of the reason for the absence.

Income Calculations and Exclusions

9.1 Annual Income Inclusions

9.1.1 Sources of Income

The Flint Housing Commission will include the following sources of income in accordance with 24 CFR 5.609(b) and HOTMA provisions:

1. Wages, salaries, tips, commissions, and other compensation for personal services
2. Business income from self-employment
3. Interest, dividends, and other net income from real or personal property
4. Welfare assistance payments
5. Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits
6. Unemployment, disability compensation, worker's compensation, and severance pay
7. Alimony and child support payments
8. Regular contributions or gifts received from organizations or persons not residing in the dwelling
9. Armed Forces pay for all family members (including hostile fire pay)
10. Any other sources not specifically excluded

9.1.2 Calculation Period

Annual income will be calculated by projecting current circumstances over a 12-month period.

9.2 Annual Income Exclusions

9.2.1 HOTMA Specific Exclusions

In accordance with HOTMA, the FHC will exclude the following from annual income:

1. Any financial assistance received by students that exceeds tuition and other required fees and charges
2. Earned income of dependent full-time students in excess of \$480, except for the head of household, spouse, or co-head
3. Earned Income Disallowance (EID) in accordance with HOTMA provisions
4. Distributions from retirement accounts that would be subject to a tax penalty if withdrawn
5. Foster care payments and kinship guardian assistance payments for children living with the family

6. Income excluded by federal statute or regulation

9.2.2 Standard Exclusions

The Flint Housing Commission will also exclude income sources listed in 24 CFR 5.609(c), including but not limited to:

1. Income from the employment of children under 18
2. Payments received for the care of foster children or adults
3. Lump-sum additions to family assets (e.g., inheritances, insurance payments)
4. Medical expense reimbursements
5. Income of a live-in aide
6. Student financial assistance (for students enrolled in an institution of higher education)
7. Special armed forces pay
8. Temporary, nonrecurring, or sporadic income
9. HUD-funded training program payments
10. Reparation payments
11. Resident service stipends not exceeding \$200 per month
12. Incremental earnings due to employment during participation in qualifying state or local training programs
13. Amounts specifically excluded by any other federal statute

9.3 Earned Income Disallowance

9.3.1 Eligibility

The Flint Housing Commission will provide an earned income disallowance (EID) for qualifying family members with disabilities who:

1. Experience an increase in annual income due to employment after being unemployed for at least 12 consecutive months
2. Experience an increase in annual income during participation in an economic self-sufficiency or job training program
3. Experience an increase in annual income due to new employment or increased earnings during or within 6 months after receiving assistance from a state TANF program

9.3.2 Calculation of EID

The FHC will implement EID as follows:

1. Initial 12-month exclusion: 100% of the increase in income attributable to employment
2. Second 12-month exclusion: 50% of the increase in income attributable to employment
3. Lifetime maximum period of 24 consecutive months from the date of initial exclusion

9.3.3 Tracking and Documentation

The FHC will track all EID information in the tenant file, including:

1. Date of initial eligibility for EID
2. Initial baseline income before qualification for EID
3. Calculation of excluded amounts for each period
4. End date of the 24-month eligibility period

Real Property Ownership

10.1 Property Ownership Limitations

10.1.1 General Rule

In accordance with Section 104 of HOTMA, applicant or participant families who own or have an ownership interest in real property that is suitable for occupancy as a residence are ineligible for assistance, unless the family meets an exception criterion.

10.1.2 Definition of Suitable for Occupancy

For purposes of this policy, a property is considered "suitable for occupancy" if it:

1. Meets local building codes for residential properties
2. Has functioning utilities (or such utilities could be reasonably connected)
3. Is habitable without requiring extensive repairs
4. Is not condemned or otherwise legally prohibited from being occupied

10.2 Exceptions to Property Ownership Limitation

10.2.1 Eligible Exceptions

The Flint Housing Commission will allow the following exceptions to the property ownership limitation:

1. The family is making a good faith effort to sell the property
2. The property is owned jointly with someone who:
 - a. Has been subjected to domestic violence by a member of the family, and the family no longer resides in the property; or
 - b. Is not a member of the family and whose whereabouts are unknown to the family despite reasonable efforts to locate them
3. The family owns the property as a consequence of inheritance and the property does not meet the family's accessibility needs
4. The family demonstrates that the property is not accessible to the family due to:
 - a. Legal barriers to possession
 - b. Geographic distance from employment that would result in an excessive commute (more than 100 miles or 2 hours)
 - c. Natural disaster that has made the property uninhabitable

- d. Other circumstances as approved by the Flint Housing Commission

10.2.2 Documentation Requirements

To qualify for an exception, the family must provide documentation of:

1. Efforts to sell the property, including listing agreements, marketing efforts, and offers received
2. Legal barriers to accessing the property, including court documents, restraining orders, or property records
3. Habitability issues, including inspection reports, repair estimates, or disaster declarations
4. Other documentation as required by the Flint Housing Commission to verify the exception

10.3 Verification of Real Property Ownership

10.3.1 Initial Verification

The Flint Housing Commission will verify property ownership during initial eligibility determination through:

1. Property tax records
2. Deed searches
3. Title reports
4. Mortgage statements
5. Self-certification and subsequent verification

10.3.2 Ongoing Verification

The Flint Housing Commission will verify continued compliance with property ownership limitations:

1. At each annual reexamination
2. When a family reports acquisition of property
3. When the Flint Housing Commission receives information indicating potential property ownership

Reexamination

Reexamination Frequency Requirements Under HOTMA

Section 1: Reexamination Frequency Requirements Under HOTMA

In accordance with the Housing Opportunity Through Modernization Act (HOTMA) and implementing regulations, this FHC establishes the following policies regarding the frequency of reexaminations:

1. Standard Reexamination Schedule:
 - a. Annual Reexaminations: The FHC will conduct a full income reexamination for most

families once every 12 months, which will include:

- i. Verification of all income sources
- ii. Verification of household composition
- iii. Verification of eligible deductions and allowances
- iv. Asset verification

- b. Biennial Reexaminations: As permitted by HOTMA Section 102, the FHC opts to conduct full income reexaminations once every 24 months for:
 - i. Families with stable income history for the past two years
 - ii. Families participating in the Family Self-Sufficiency program who maintain employment
 - iii. Elderly or disabled households with fixed income sources

- c. Triennial Reexaminations: For fixed-income households (where 90% or more of income is fixed), the FHC will:
 - i. Conduct a full income reexamination once every three years
 - ii. In intervening years, apply a verified cost-of-living adjustment (COLA) or interest rate adjustment specific to each fixed income source
 - iii. Continue to verify non-fixed income sources annually if they exceed 10% of the household's total income

2. Fixed Income Defined: For purposes of triennial recertification eligibility, 'fixed income' includes:

- a. Social Security payments (including SSI and SSDI)
- b. Federal, state, local, or private pension plans
- c. Annuities or other retirement benefit programs, insurance policies, disability or death benefits
- d. Veterans Administration (VA) disability benefits
- e. Other sources determined by HUD or the FHC to be fixed in nature

3. Anniversary Date Determination:

- a. For Public Housing: The anniversary date is 12 months from the date of admission and each year thereafter
- b. For Housing Choice Vouchers: The anniversary date is 12 months from the effective date of the family's last annual reexamination or initial eligibility determination
- c. The FHC may adjust reexamination dates to allow for administrative efficiency and workload distribution

4. Required Annual Activities Regardless of Reexamination Frequency:

- a. Annual HQS/NSPIRE inspection (may be biennial if eligible)
- b. Annual determination of appropriate utility allowance
- c. Annual review of family composition for unit size appropriateness
- d. Annual review for over-income status in Public Housing (120% AMI threshold)
- e. Annual review of community service compliance for applicable Public Housing residents

5. Monitoring and Compliance:

- a. The FHC will maintain tracking systems to ensure all families receive timely reexaminations according to their applicable schedule
- b. Families placed on biennial or triennial schedules will be clearly indicated in the FHC's management software
- c. The FHC will document the rationale for placing families on alternative schedules
- d. Annual compliance reports will be prepared for FHC management review"

Implementation of Streamlined Reexaminations

Section II: Implementation of Streamlined Reexaminations

This FHC will implement streamlined reexamination procedures as follows:

1. Triennial Fixed-Income Reviews:

- a. Initial Certification: For the full reexamination occurring once every three years, the FHC will:
 - i. Verify all income sources, fixed and non-fixed
 - ii. Document the percentage of income from fixed sources to confirm eligibility (90%+ requirement)
 - iii. Obtain third-party verification of all fixed income sources
 - iv. Verify eligibility factors including household composition and citizenship/immigration status
- b. Streamlined Income Determination: In years between full reexaminations (years 2 and 3), the FHC will:
 - i. Apply COLA or adjustment factor to fixed income based on:
 - Published COLA for Social Security and SSI
 - COLA provided by the source for other fixed income
 - CPI-U (Consumer Price Index for All Urban Consumers) if no source-specific adjustment is available
 - ii. Verify and update any non-fixed income (less than 10% of total)
 - iii. Document in tenant file the calculation method used and source of adjustment factors
- c. Required Family Reporting: Families on triennial schedules must still report:
 - i. Changes in household composition
 - ii. Increases in non-fixed income that would exceed 10% of total household income
 - iii. Acquisition of assets exceeding the HOTMA threshold (\$100,000)
 - iv. Acquisition of real property

2. Documentation Requirements for Streamlined Reviews:

- a. Written notification to tenants explaining the streamlined process
- b. Worksheet showing calculation of adjusted fixed income amounts
- c. Verification of any reported changes that would affect rent determination
- d. Certification by both tenant and FHC staff of adjusted amounts

- e. COLA or adjustment factor documentation for each fixed income source
3. Return to Annual Reexamination: A family will return to the annual reexamination schedule if:
- a. The percentage of fixed income falls below 90% of total household income
 - b. The family experiences a change in household composition
 - c. The family requests a return to annual certification
 - d. The FHC determines it necessary to ensure program compliance"

Special Circumstances and Exceptions

Section III: Special Circumstances and Exceptions to Standard Reexamination Schedules

FHC will modify the standard reexamination schedule for the following circumstances:

1. Zero-Income Households:
 - a. Households reporting zero income will receive quarterly reexaminations regardless of the standard schedule
 - b. Once income is established, the household may return to the standard schedule appropriate for their situation
2. Temporary Compliance Determination for Mixed Families:
 - a. Mixed families (those with both eligible and ineligible immigrants) must have eligibility status verified annually
 - b. Income determination may follow biennial or triennial schedules if otherwise eligible
3. Reasonable Accommodation:
 - a. The FHC may modify reexamination frequency as a reasonable accommodation for persons with disabilities
 - b. Accommodations may include more frequent reexaminations if requested to align with changing circumstances
4. Moving with Continued Assistance:
 - a. For HCV families, a full reexamination will be conducted when a family moves to a new unit
 - b. The anniversary date may be reset based on the move date
5. Enhanced Vouchers and Project-Based Section 8 Conversions:
 - a. Special requirements for enhanced vouchers will be observed regardless of reexamination schedule
 - b. Project-based Section 8 conversion properties will follow the same reexamination frequency policies
6. RAD (Rental Assistance Demonstration) Properties:
 - a. RAD PBV units will follow the HCV reexamination frequency policies
 - b. RAD PBRA units will follow Section 8 Multifamily Housing reexamination requirements

7. VAWA Emergency Transfers:

- a. When a family receives an emergency transfer under VAWA, the FHC will conduct a full reexamination
- b. A new anniversary date may be established based on the transfer date"

Summary of Reexamination Requirements

Section IV: Summary of HOTMA Reexamination Requirements by Program

This FHC implements the following reexamination schedules in compliance with HOTMA:

1. Public Housing Program:

- a. Standard families: Annual reexaminations
- b. Fixed-income households (90%+ fixed income): Triennial full reexaminations with COLA adjustments in intervening years
- c. Over-income tracking: Annual income comparisons to 120% AMI threshold
- d. Community service: Annual compliance verification for non-exempt residents

2. Housing Choice Voucher Program:

- a. Standard families: Annual reexaminations
- b. Stable-income families (if implemented): Biennial reexaminations
- c. Fixed-income households (90%+ fixed income): Triennial full reexaminations with COLA adjustments in intervening years
- d. Payment Standards: Annual review and adjustment if needed

3. Project-Based Voucher Program:

- a. Standard families: Annual reexaminations
- b. Fixed-income households (90%+ fixed income): Triennial full reexaminations with COLA adjustments in intervening years
- c. Site-based requirements: May include additional owner-required annual certifications

4. Moderate Rehabilitation Program:

- a. Standard families: Annual reexaminations
- b. Fixed-income households (90%+ fixed income): Triennial full reexaminations with COLA adjustments in intervening years

The implementation of these schedules will be conducted as follows:

1. Phase 1: July 1,2025 – Implementation of triennial reexaminations for eligible fixed-income households
2. Phase 2: July 1,2025 – Implementation of biennial reexaminations for eligible stable-income households (if approved by FHC)
3. Phase 3: July 1,2025 – Full implementation of all HOTMA-authorized reexamination schedules

Interim Reexamination Policies Under HOTMA

Interim Reexamination Policy

Section I: Interim Reexaminations Under HOTMA

In accordance with the Housing Opportunity Through Modernization Act (HOTMA) and implementing regulations, this Flint Housing Commission (FHC) establishes the following policies regarding interim reexaminations:

1. Reporting Requirements: Families are required to report the following changes between annual reexaminations within 10 business days of occurrence:
 - a. Changes in family composition including:
 - i. Addition of family members through birth, adoption, court-awarded custody, or marriage/partnership
 - ii. Departure of any family member
 - b. Income changes:
 - i. For families paying income-based rent: Increases in family income that cumulatively exceed 10% of annual income
 - ii. For families paying the minimum rent or who have zero income: Any increase in income
 - iii. For all families: Any decrease in income that would result in a rent reduction
 - c. Changes in eligible deductions or allowances

2. FHC-Initiated Interim Reexaminations: The FHC will conduct interim reexaminations when:
 - a. The FHC discovers unreported income or family composition changes
 - b. A family's income source changes
 - c. The FHC verifies that a family claiming zero income has begun receiving income
 - d. Other circumstances as determined by the FHC with reasonable cause

3. Streamlined Income Verification: For interim reexaminations, the FHC will:
 - a. Limit verification to the specific reported change(s)

 - b. Accept tenant-provided third-party documentation dated within 60 days of the FHC interview
 - c. Use EIV and other electronic verification methods when appropriate
 - d. Apply streamlined verification methods as authorized by HOTMA

4. Processing Timeline: The FHC will:
 - a. Begin processing interim reexaminations within 10 business days of receiving all required documentation
 - b. Provide 30-day notice to the family of any rent increase
 - c. Implement rent decreases on the first day of the month following the reported change, providing all required documentation is submitted in a timely manner

5. Effective Dates of Interim Adjustments:
 - a. Rent Increases: Will become effective on the first day of the month following a 30-day notice to the family
 - b. Rent Decreases: Will become effective on the first day of the month following the reported change, once verified
 - c. Retroactive Adjustments:
 - i. For unreported increases in income: The FHC may implement retroactive rent increases back to the first of the month following the date the change occurred
 - ii. For decreases in income: The FHC will not apply retroactive rent reductions

6. HOTMA-Specific Policies for Interim Reexaminations:
 - a. Fixed-income households (90% or more fixed income):
 - i. Interim changes in non-fixed income sources must be reported only if they exceed 10% of total household income
 - ii. Documentation of changes in deductions may be deferred to the next annual reexamination unless the family requests immediate adjustment
 - b. Asset limitations:
 - i. Families must report acquisition of assets when the total net household assets would exceed \$100,000
 - ii. Families must report acquisition of real property
 - iii. The FHC will verify newly reported assets and determine continued eligibility

- c. Over-income families in Public Housing:
 - i. If a family reports an increase in income that would exceed the over-income threshold (120% of AMI), the FHC will document the change and begin tracking the two-year period
 - ii. If a family reports a decrease in income that would bring the family below the over-income threshold, the FHC will conduct an interim reexamination and reset any over-income time period

7. Hardship Policies: The FHC will consider written requests for hardship exemptions related to interim reporting requirements when:
 - a. The family can document an emergency situation or unexpected significant expense
 - b. The family would be unable to pay the higher rent due to financial hardship
 - c. Other circumstances determined by the FHC to warrant an exemption

8. Minimum Rent Hardship: For families paying minimum rent who experience a loss of income, the FHC will:
 - a. Temporarily suspend the minimum rent requirement upon request
 - b. Conduct an interim reexamination to verify the hardship
 - c. Implement one of the following based on hardship verification:
 - i. Temporary hardship (expected to last 90 days or less): Retroactively reinstate minimum rent after hardship ends

- ii. Long-term hardship: Exempt the family from minimum rent until the next annual reexamination

Special Circumstances for Interim Reexaminations

Section II: Special Circumstances for Interim Reexaminations Under HOTMA

FHC established the following policies for special circumstances related to interim reexaminations:

1. Earned Income Disallowance (EID):
 - a. FHC will conduct interim reexaminations to track the 24-month period of income exclusion for qualified families
 - b. For the first 12-month exclusion period: 100% of the increase in income is excluded
 - c. For the second 12-month exclusion period: 50% of the increase in income is excluded
 - d. The FHC will track the full 24-month period regardless of interruptions in employment
2. Family Self-Sufficiency (FSS) Program Participants:
 - a. FSS participants may request interim reexaminations to increase their rent contributions for the purpose of increasing escrow deposits
 - b. The FHC will process these requests in accordance with FSS program guidelines
 - c. Increases in rent due to increased earnings will result in corresponding increases to the FSS escrow account
3. Income Exclusion for Full-Time Students:
 - a. The FHC will conduct interim reexaminations when a family member aged 18 or older becomes a full-time student
 - a. Income above \$480 annually for full-time students (other than the head, co-head, or spouse) will be excluded
 - c. The family must provide verification of full-time student status
4. Zero-Income Households:
 - a. Families reporting zero income will be subject to interim reexaminations every 90 days
 - b. The FHC will require families to complete a zero-income checklist and expense form
 - c. The FHC may use HUD's Enterprise Income Verification (EIV) system monthly to identify unreported income
5. Live-in Aides:
 - a. The FHC will conduct an interim reexamination when a family requests to add a live-in aide
 - b. The live-in aide's income will not be included in the family's annual income calculation
 - c. The FHC will verify that the person meets HUD's definition of a live-in aide
 - d. A separate bedroom may be allocated for an approved live-in aide
6. Decreases in Deductions:
 - a. Families are required to report decreases in eligible deductions
 - b. The FHC will conduct an interim reexamination to verify the change
 - c. Any resulting rent increase will be effective with 30 days' notice

7. Delayed Reporting:
 - a. For increases in income reported more than 10 business days after occurrence:
 - i. The FHC may implement a retroactive rent increase
 - ii. The FHC may pursue repayment of underpaid rent
 - b. Families may request consideration of mitigating circumstances
 - c. The FHC will consider the family's history of compliance when determining appropriate action

8. Temporary/Sporadic Income:
 - a. Families are not required to report temporary or sporadic income at interim reexaminations
 - b. The FHC may verify the temporary nature of income changes
 - c. Regular seasonal income will be considered for annualization at annual reexamination

9. Income from Assets:
 - a. Consistent with HOTMA asset limitation provisions, families must report changes in assets at interim reexaminations when:
 - i. Total household assets would exceed \$100,000
 - ii. The family acquires real property
 - b. For assets below the threshold, changes in asset income may be deferred to the annual reexamination unless reporting would result in a rent decrease"

Implementation and Documentation Requirements

Section III: Implementation and Documentation of Interim Reexaminations

FHC will implement interim reexamination procedures in accordance with the following guidelines:

1. Required Documentation:
 - a. Change in income: At least one month of source documentation (pay stubs, benefit verification)
 - b. Change in family composition: Legal documentation of addition or removal of family members
 - c. Change in deductions: Medical expense receipts, childcare provider statements
 - d. Self-employment: Profit and loss statements, business records
 - e. Asset changes: Bank statements, property deeds, investment account statements

2. Notification System:
 - a. The FHC will provide written notification of required interim reporting through:
 - i. Initial leasing packets and annual recertification documents
 - ii. Tenant newsletters and housing authority website
 - iii. Posted notices in FHC offices
 - b. Notification will be available in multiple languages as needed for LEP populations

3. Record Keeping:

- a. The FHC will maintain records of all interim reexaminations including:
 - i. Date of reported change
 - ii. Documentation collected
 - iii. Verification methods used
 - iv. Resulting rent adjustments
 - v. Notifications provided to families
- b. Records will be maintained for at least three years

4. Quality Control:

- a. The FHC will review a random sample of interim reexaminations monthly
- b. At least 5% of processed interim reexaminations will be selected for quality control review
- c. Staff will receive regular training on HOTMA requirements related to interim reexaminations

5. Reasonable Accommodation:

- a. The FHC will consider requests for reasonable accommodations in the interim reexamination process
- b. Accommodations may include home visits, extended deadlines, or alternative documentation methods
- c. Requests for accommodation will be documented and maintained in the tenant file

***Types of income excluded – Fixed Income**

According to PIH Notice 2023-27,2020-32, PIH 2024-38, fixed income sources include:

1. Supplemental Security Income (SSI)

2. Social Security payments including:

- Disability insurance benefits
- Regular Social Security retirement benefits
- Railroad Retirement benefits

3. Federal, state, local or private pension plans

4. Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts

5. Any other source of income subject to adjustment by a verifiable COLA or current rate of interest (such as Veterans Administration (VA) Disability)

Note: A key point to remember is that to qualify as a "fixed-income family" under HOTMA:

- At least 90% of the family's unadjusted income must come from these fixed income sources
- The FHC must verify whether a family meets this 90% threshold
- If family income changes to less than 90% from fixed sources, they no longer qualify for triennial recertification

***Income requiring annual reexaminations**

According to HUD guidance, income types that require annual reexaminations (non-fixed income) include:

1. Employment Income:

- Wages
- Salaries
- Overtime pay
- Commissions
- Tips
- Bonuses
- Other employment compensation

2. Business Income:

- Self-employment income
- Income from operation of a business
- Professional service income

3. Variable Public Assistance:

- TANF benefits (when not fixed)
- General Assistance
- Other welfare payments that can vary

4. Seasonal or Irregular Income:

- Temporary work
- Seasonal employment
- Fluctuating child support payments
- Sporadic gifts or contributions

5. Investment Income with Variable Returns:

- Interest from non-fixed rate accounts
- Dividends
- Variable rental income
- Other capital investments with fluctuating returns

6. Any combination of income sources where:

- Less than 90% comes from fixed income sources
- Income amounts are subject to frequent changes
- Income cannot be reliably predicted for a full year

Notes:

- FHCs must conduct full reexaminations annually for families with these income types
- Families must still report interim changes according to FHC policy

National Standards for the Physical Inspection of Real Estate NSPIRE

HOTMA (Housing Opportunity Through Modernization Act) and NSPIRE (National Standards for the Physical Inspection of Real Estate) are two significant HUD initiatives that intersect in important ways for Public Housing Authorities. Here's detailed language that FHCs can include in their ACOP and Administrative Plans regarding this integration:

Physical Inspection Standards and Compliance

Section I: NSPIRE Implementation Under HOTMA

In accordance with HOTMA Section 101 and HUD's implementation of the National Standards for the Physical Inspection of Real Estate (NSPIRE), FHC establishes the following policies:

1. **Inspection Protocol Transition:** The FHC will transition from the Uniform Physical Condition Standards (UPCS) and Housing Quality Standards (HQS) to the NSPIRE standards according to the following schedule:
 - a. Staff training on NSPIRE protocols to be completed by July 1, 2025
 - b. NSPIRE standards will be fully implemented for all inspections by July 1, 2025
 - c. All inspection forms, checklists, and documentation will be updated to reflect NSPIRE requirements
2. **Initial Unit Approval:** In compliance with HOTMA Section 101(a)(3), the FHC will:
 - a. Inspect units prior to executing a HAP contract to verify compliance with NSPIRE standards
 - b. Allow occupancy of units that fail the initial inspection only if:
 - i. The unit has non-life-threatening (NLT) deficiencies only; and
 - ii. The deficiencies are corrected within 30 days of FHC notification
 - c. Withhold assistance payments if deficiencies are not corrected within the specified timeframe
3. **Alternative Inspection Methods:** As authorized by HOTMA Section 101(a)(1), this FHC will:
 - a. Accept inspections conducted under other federal, state, or local housing programs that meet or exceed NSPIRE standards
 - b. Recognize inspections completed within the previous 24 months
 - c. Require documentation that any identified deficiencies have been remediated
 - d. Conduct its own quality control inspections on at least 5% of units approved via alternative inspection methods
4. **Self-Certification of Repairs:** In accordance with HOTMA provisions, the FHC will:
 - a. Accept owner and tenant certifications for non-life-threatening deficiencies
 - b. Require photographic or other supporting documentation with self-certifications
 - c. Conduct follow-up inspections on at least 20% of units approved via self-certification
 - d. Maintain a registry of owners who have submitted false certifications and require in-person verification for these owners on future inspections

5. Biennial Inspections: As permitted by HOTMA Section 101(a)(1), the FHC will:
 - a. Conduct regular inspections at least once every two years
 - b. Implement a risk-based approach that considers:
 - i. Property age and construction type
 - ii. Owner's inspection history and compliance record
 - iii. Tenant complaints and maintenance requests
 - iv. Neighborhood factors and environmental conditions
 - c. Continue to conduct special inspections upon request or when deficiencies are suspected
 - d. Maintain records of all inspection schedules, results, and follow-up actions"

NSPIRE Standards Implementation

Section II: NSPIRE Standards and Evaluation Methods

FHC adopts the following specific NSPIRE standards as required by HOTMA implementation:

1. Inspection Categories: All units will be evaluated across the three NSPIRE categories:
 - a. Dwelling Units (Inside)
 - b. Building Systems and Common Areas
 - c. Site (Outside)
2. Deficiency Classification: The FHC will classify deficiencies according to NSPIRE severity levels:
 - a. Life-Threatening or Emergency Conditions that present immediate danger to residents
 - b. Non-Life-Threatening Conditions that fail NSPIRE standards but do not pose immediate danger
 - c. Standard-Level Deficiencies that represent minor deviations from standards
3. Life-Threatening Conditions: The following conditions must be remediated within 24 hours:
 - a. Gas leaks or strong gas odors
 - b. Exposed electrical wiring or improper electrical connections
 - c. Structural failures that may result in building collapse
 - d. Blocked or unusable emergency/fire exits
 - e. Inoperable smoke or carbon monoxide detectors
 - f. Lack of functioning heating during winter months
 - g. No functioning toilet in the unit
 - h. Other conditions defined by HUD as immediately hazardous
4. Non-Life-Threatening Conditions: The following conditions must be remediated within 30 days:
 - a. Water leaks and moisture issues not causing immediate structural damage
 - b. Inoperable appliances
 - c. Deteriorated paint in units built before 1978
 - d. Tripping hazards
 - e. Minor electrical issues not posing immediate electrocution risk
 - f. Inoperable window or door hardware

- g. Other conditions that fail inspection but do not present immediate danger
5. Economic Self-Sufficiency Incentive: Consistent with HOTMA provisions, the FHC will:
- a. Implement inspection incentives for landlords participating in HUD-approved self-sufficiency programs
 - b. Allow expedited initial inspections and extended biennial inspection schedules for units in high-opportunity neighborhoods
 - c. Develop partnerships with housing providers that maintain above-average physical conditions

Small FHC Streamlined Assessment

Section III: Small FHC Assessment System Under HOTMA and NSPIRE

For FHCs designated as small FHCs (operating 550 or fewer combined public housing units and vouchers), the following applies:

1. Streamlined Assessment: In accordance with HOTMA Section 209, FHC will participate in the streamlined assessment system that:
 - a. Consolidates the physical inspection protocol with financial and management indicators
 - b. Reduces administrative burden while maintaining compliance with NSPIRE standards
 - c. Allows for reduced frequency of comprehensive assessments based on performance
2. Physical Assessment: The FHC will:
 - a. Conduct NSPIRE-compliant self-inspections of a representative sample of units annually
 - b. Submit certification of completion and summary results to HUD
 - c. Address all identified life-threatening conditions immediately
 - d. Develop and implement a corrective action plan for all other deficiencies
3. Environmental Hazard Testing: The FHC will conduct and document:
 - a. Lead-based paint assessments in pre-1978 buildings
 - b. Radon testing in accordance with EPA guidelines
 - c. Asbestos evaluation and management
 - d. Carbon monoxide detector installation and testing
 - e. Mold and moisture prevention protocols"

HOTMA's Impact on NSPIRE Implementation Timeline

Section IV: NSPIRE Implementation Timeline under HOTMA

FHC acknowledges that HOTMA establishes statutory authority for HUD's implementation of NSPIRE and adopts the following implementation schedule:

1. Transition Period: The FHC will:
 - a. Maintain parallel inspection protocols until full NSPIRE implementation
 - b. Conduct staff training on NSPIRE standards and protocols

- c. Update software systems to accommodate NSPIRE data collection
 - d. Inform residents and property owners about the transition to NSPIRE
2. Full Implementation: By July 1, 2025, the FHC will:
- a. Exclusively use NSPIRE standards for all inspections
 - b. Implement HUD's NSPIRE software solutions for documentation
 - c. Maintain inspection records in accordance with NSPIRE requirements
 - d. Participate in HUD's ongoing NSPIRE data collection initiatives
2. Tenant Protection: In accordance with HOTMA on housing quality and habitability, the FHC will:
- a. Establish clear procedures for reporting deficiencies between inspections
 - b. Provide residents with education on identifying life-threatening conditions
 - c. Implement a centralized tracking system for maintenance requests
 - d. Conduct prompt special inspections in response to reported serious deficiencies

Resident Asset Calculations

Step 1. Enter the dollar value of any non-necessary personal items. If you do not know the exact value of a given item, give your best estimate, but try to be as accurate as possible. Assets for a business (including self-employment) should not be included.

Non-necessary items of personal property include bank accounts, a recreational boat, coin collection, or antique jewelry. This will include most assets that are not a home (which will be in another section) or a necessary item.

If the value of all of your family's non-necessary personal items are not more than \$50,000, they are excluded from your assets. That means, you will not include them when adding up your net family assets. In this case, depending on the PHA policy, you may be able to self-certify your non-necessary personal assets.

Necessary items are excluded from asset calculations and therefore do not need to be listed or added up.

| Non-Necessary Items | Value in Dollars |
|--|------------------|
| Checking account(s) | + \$ |
| Savings account(s) | + \$ |
| Stocks, bonds, investment accounts, trusts <i>Exclude: IRS-recognized retirement accounts such as 401k or IRA, education savings accounts (529, 530, Coverdell), ABLE accounts, non-revocable trusts</i> | + \$ |
| Expensive jewelry without religious or cultural value <i>Exclude: wedding rings and jewelry used in religious/cultural traditions</i> | + \$ |
| Recreational vehicles such as a boat, ATV, or camper. | + \$ |
| Vehicles not necessary for commuting, such as a motorcycle that you do not use for work or school. | + \$ |
| Other: <i>Example: collectibles (e.g. coins, stamps), items such as gems/precious metals, artwork</i> | + \$ |
| Other: | + \$ |
| Subtract tax returns from the last year | - \$ |
| TOTAL VALUE OF NON-NECESSARY ITEMS <i>Exclude: funds from a tax return received in the last 12 months</i> | \$ |
| | <i>Value 1</i> |

Step 2. Add up the value of all of the non-necessary personal items above.

If the total, **Value 1 (above), is equal to or less than \$50,000 then Value 2 (below) is \$0.** (This is because when a family's total non-necessary personal items are not more than \$50,000, they are not included in calculating net family assets.)

If Value 1 is **more than \$50,000**, put the total amount (Value 1) in the Value 2 box below.

Step 3. Enter the value of any real property (a home, building, or land) that any member of your household owns. Add this to Value 2 and put the new total in Value 3.

| Total Net Assets | Value in Dollars |
|--|-----------------------|
| Total Value of Non-Necessary Items <i>Enter \$0 if Value 1 is \$50,000* or less, or the amount in the Value 1 box.</i> | \$ <i>Value 2</i> |
| Real property (land and/ or a building). <i>Subtract the mortgage/other loans and costs to sell.</i> | +\$ |
| Total Net Assets | =\$ <i>Value 3</i> |

Step 4. Determine if you are likely over the asset limit. Look at Value 3.

If the total net value of your assets is equal to or less than \$100,000 you are not at risk of being terminated from the program. You may need to show documentation to your PHA about certain items. The PHA may accept self-certification of certain facts (such as total non-necessary personal items being valued under \$50,000 and that you do not own any real property).

If the total net value of your assets is above \$100,000 and your PHA enforces this limitation, you may no longer be eligible for continued assistance. Your PHA may allow you up to 6 months to fix things so that you are not over the limit. And, your PHA may have a policy that includes exceptions to the asset limitation.

HOTMA Resident Worksheet: Interim Reviews

How to Use the Worksheet

Use this worksheet to figure out if you might need an interim review and what to bring to your meeting with the PHA. Read the parts that match your situation. If you're not sure, talk to your PHA when something in your family changes. The sections are:

- A. Family Composition Change Worksheet
- B. Decrease in Income Worksheet
- C. Increase in Income Worksheet
- D. Change in Deductions Worksheet

Next Steps

- 1.If you're unsure about reporting a change or need an interim review, ask your PHA.
- 2.If the worksheet shows you need an interim review, report the change on time.
- 3.The PHA will check if an interim review is needed and, if so, do it within about 30 days.
- 4.The table below shows when, if needed, a rent change will take effect.

What kinds of changes should you tell the PHA about:

Household changes: Always tell the PHA if someone moves in or out of your home, even if they are not part of your family.

Income: You might not have to report small income changes. If you're not sure, ask the PHA about their rules.

Deductions: Changes to your household's allowed deductions, like medical or childcare expenses, may affect your rent. The PHA will explain when you need to report these changes.

| Income Increase or Decrease | Did you report on time | Effective of new rent |
|------------------------------------|-------------------------------|---|
| Decrease | Yes | 1st day of the month after the event |
| Decrease | No | 1st day of the month after the review (PHA <i>may</i> allow retroactive decrease) |
| Increase | Yes | 1st day of the month after 30 days' notice |
| Increase | No | Retroactive to 1st day of the month after event |

A. Family Composition Change Worksheet

Background

Always let your PHA know if someone joins or leaves your household even if your household income doesn't change. This includes additions like births, adoptions, or someone else moving in — *even if they are not a member of your family*. Also, report if someone moves out or passes away. The PHA might require a background check for new residents.

1. Did your family experience any of the following (check all that apply):

An addition to the household:

- Birth /adoption
- Foster child / adult
- Adult (Age 18+)
- Other dependent
- Elderly (Age 62+) / disabled family member
- Live-in aide or other non-family member

A reduction in the household:

- Family member permanently moved out
- Family member passed away

| If there is a change in family adjusted income | The PHA will |
|---|---|
| Decreases | Always conduct an interim review |
| Increases | Process the change, but conduct an interim review unless it meets in the threshold(usually 10%, see below for more details) |

1. Gather any relevant documents for your appointment with the PHA.

- Photo identification
- Social security card
- Birth certificate
- Court order / letter for adoption or foster placement

B. Decrease in Income Worksheet

Background

Your PHA must do an interim review if your family's annual adjusted income decreases by 10% or more. However, HUD and PHAs are allowed to set a lower percentage of decrease.

Remember, your family's income also decreases when someone who has income moves out or passes away.

1. How did your household income decrease (check all that apply):

- Loss of a job
- Loss of income
- Loss of benefits
- Income earner/receiver moved out or passed away

2. What is the amount of the decrease in income?*

| Source of Income | Amount Before | Amount Now |
|------------------|-------------------|-----------------|
| | \$ _____ per year | \$ _____ |
| | \$ _____ per year | \$ _____ |
| | \$ _____ per year | \$ _____ |
| Totals | \$ _____ | \$ _____ |

3. (Optional) Estimate if the change is likely to require an interim review.

If you know your previous annual adjusted income, you can use the **Income Estimation Tool** to estimate if you will need an interim review. Or use this table:

| Source of Income | Amount Before <i>Sum of all unearned income now</i> | Amount Now <i>Sum of all unearned income before</i> | Amount of increase <i>Amount now - Amount before</i> | Amount of change as a percent <i>Amount of increase / amount now 100 (%)</i> |
|------------------|--|--|---|---|
| | \$ _____ | \$ _____ | \$ _____ | _____ % |

4. Gather any relevant documents for your appointment with the PHA.

The documents you need will depend on your situation and will be like what you brought to your initial or yearly review.

- Most recent paystubs (ask your PHA how many you will need)
- Letter or email from employer noting a change in pay or hours
- Letter or other notice that a (cash) benefit has stopped or been reduced
- Information about a self-employment contract that has ended or been reduced

C. Increase in Income Worksheet

Background

Under HOTMA rules, your PHA will do an interim review if your income increases by 10% or more. There are some exceptions. Check what applies to your situation and gather the necessary documents.

Your PHA might **not** conduct an interim review after an increase in income if:

The increased income is from **earned income**. Unless you also had a rent reduction since the last yearly review (depending on your PHA's rules).

Your income increased by less than 10% (adjusted annual income).

Your next yearly review is within 3 months (depending on PHA policy).

Earned income includes salaries, wages, tips, and payments for self-employment work.

Unearned income includes earnings from benefits (like social security), investments, assets, and court-ordered payments like alimony or child support.

1. See if the PHA will need to do an interim review:

Was the amount of increase in your annual adjusted income **less** than 10% since the last yearly review?

Yes — **STOP**. You **will not** have to do an interim review

No, it's more than 10% — **CONTINUE**

Is your income increasing due to **unearned income**?

Yes — **STOP**. You **will** likely need to do an interim review

No, it's from earned income — **CONTINUE**

Since your last yearly review, have you had an **interim review** because of a decrease in income?

Yes — **STOP**. You **may** need to do an interim review (depending on your PHA's rules.)

No, no previous interim — **CONTINUE**

Is your next yearly review in the next 3 months **and** does your PHA have a rule of not doing an interim review for an increase in the last 3 months?

Yes, my PHA's policy allows me to wait — **STOP**. You **will not** have to do an interim review

No, either my yearly review is more than 3 months out and/or my PHA's rules don't allow me to wait — **STOP**. You **will** likely need to do an interim review.

2. Note any changes in income your household has experienced.

What is the amount of the increase in earned income? *(An interim review is generally **not** needed for increases of earned income. Some PHA's will count an increase in earned income if you had a previous interim review for a decrease in income.)*

| Source of Income | Amount Before | Amount Now |
|---------------------------|----------------|----------------|
| Salary/Wages | \$ Per year | \$ Per year |
| Tips | \$ Per year | \$ Per year |
| Self-employment Income | \$ Per year | \$ Per year |
| Total | \$ | \$ |

What is the amount of the increase in unearned income?

| Source of Income | Amount Before | Amount Now |
|---|----------------|--------------|
| Temporary Assistance for Needy Families (TANF) | \$ per year | \$ per year |
| Social security or disability | \$ per year | \$ per year |
| Pension | \$ per year | \$ per year |
| Child support | \$ per year | \$ per year |
| Alimony | \$ per year | \$ per year |
| Income from assets | \$ per year | \$ per year |
| Other: | \$ per year | \$ per year |
| Total | \$ \$ | \$ \$ |

\$

3. (Optional) Estimate if the income increase will likely require an interim review.

An interim review will be needed for increases of 10% or more in unearned income.

If you know your previous annual adjusted income, you can use the **Income Estimation Tool** to estimate if you will need an interim review. Or use this table:

| Source of Income | Amount Before <i>Sum of all unearned income now</i> | Amount Now <i>Sum of all unearned income before</i> | Amount of increase <i>Amount now - Amount before</i> | Amount of change as a percent <i>Amount of increase / amount now 100 (%)</i> |
|-------------------------|---|---|--|--|
| | | | | |

4. Gather any relevant documents for your appointment with the PHA.

The documents you need will depend on your situation and will be like what you brought to your initial or yearly review.

- Most recent paystubs (ask your PHA how many you will need)
- Letter or email from employer noting promotion or change in pay or hours
- Letter or other notice that a (cash) benefit has started or increased
- Information about self-employment work that has started or increased

D. Changes in Deductions Worksheet

Check for changes in common deductions, like childcare payments or medical expenses, which can affect your rent.

1. Check for changes in common deductions

The following are common deductions. Check any areas where your family has experienced a change since your last income review and note the change.

- Dependents (See above the Family Composition Change Worksheet)
- Elderly status
 - A Head, Spouse or Co-head is now age 62
- Childcare payments for the care of children 12 years old or younger, including foster children, that allow a member of the household to work.
 - Payments started
 - Payments ended or no longer qualify for the deduction
- Unreimbursed Health and medical expenses for an elderly or disabled family member
 - Expenses began or increased
 - Expenses ended or decreased
- Unreimbursed reasonable care and equipment expenses for each member of the family with a disability, that enable any member of the family, including the person with a disability, to work.
 - Expenses began or increased
 - Expenses ended or decreased
- Student status
 - A family member started a program of higher education
 - A family member ended a program of higher education
- Disability
 - A family member now qualifies as a person with a disability
 - A family member no longer qualifies as a person with a disability

1. Gather any relevant documents for your appointment with the PHA.

The documents you need will depend on your situation and will be like what you brought to your first or yearly review.

___ Information (including receipts or bills) for relevant payments (childcare, health and medical expenses, reasonable attendant care and auxiliary apparatus)

___ Information on school enrollment and student financial aid.

HUD HOTMA RESIDENT WORKSHEET STUDENT FINANCIAL AID

PART I: GENERAL INFORMATION

Resident Name: _____

Last 4 Digits of SSN: _____

Unit/Voucher #: _____

Date Completed: _____

PART II: STUDENT INFORMATION

Complete this section for EACH student in the household receiving financial aid. Use additional forms if needed.

Student #1

Student Name: _____

Relationship to Head of Household: _____

School Name: _____

Full-Time Student Part-Time Student

Is this student the Head of Household, Co-Head, or Spouse? Yes No

Is this student a dependent (under 24, not veteran, unmarried, no dependents)? Yes No

Is this student living with parents in an assisted unit? Yes No

Is this student enrolled in a program receiving Section 8 assistance? Yes No

Student #2

Student Name: _____

Relationship to Head of Household: _____

School Name: _____

Full-Time Student Part-Time Student

Is this student the Head of Household, Co-Head, or Spouse? Yes No

Is this student a dependent (under 24, not veteran, unmarried, no dependents)?
 Yes No

Is this student living with parents in an assisted unit? Yes No

Is this student enrolled in a program receiving Section 8 assistance? Yes No

PART III: FINANCIAL AID DETAILS AND CALCULATION

Student #1: Financial Aid Sources

List all financial aid for the academic year (not just the current semester).

| Source of Financial Aid | Total Annual Amount | Purpose (tuition, books, living expenses, etc.) |
|----------------------------|---------------------|---|
| | \$ | |
| | \$ | |
| | \$ | |
| TOTAL FINANCIAL AID | \$ | |

Required Fees and Charges:

| Type of Fees Charge | Annual Amount |
|----------------------------------|---------------|
| Tuition \$ | |
| Required Fees \$ | |
| Books (required) \$ | |
| Equipment (required) \$ | |
| TOTAL REQUIRED CHARGES \$ | |

Student #2: Financial Aid Sources

List all financial aid for the academic year (not just the current semester).

| Source of Financial Aid | Total Annual Amount | Purpose (tuition, books, living expenses, etc.) |
|----------------------------|---------------------|---|
| | \$ | |
| | \$ | |
| | \$ | |
| TOTAL FINANCIAL AID | \$ | |

Required Fees and Charges:

| Type of Fees Charge | Annual Amount |
|-------------------------------|---------------|
| Tuition | \$ |
| Required Fees | \$ |
| Books (required) | \$ |
| Equipment (required) | \$ |
| TOTAL REQUIRED CHARGES | \$ |

PART IV: INCOME DETERMINATION

Student #1:

A. Total Financial Aid: \$ _____

Total Required Fees and Charges: \$ _____

C. Excess Financial Aid (A minus B): \$ _____

Income Inclusion Determination:

1. Is this student over 23 years of age? Yes No
2. Is this student a veteran? Yes No
3. Is this student married? Yes No
4. Does this student have a dependent child? Yes No
5. Is this student a person with disabilities AND receiving Section 8 assistance as of 11/30/2023
 Yes No
6. Is this student the Head of Household, Co-Head, or Spouse? Yes No

If the answer to ANY of questions 1-6 is YES, then:

- Count only the amount over \$480 of the student's earned income
- DO NOT count any of the excess financial aid as income

If the answer to ALL of questions 1-6 is NO, and the student is a dependent, then:

- Count only the amount over \$480 of the student's earned income

- DO NOT count any of the excess financial aid as income

If the answer to ALL of questions 1-6 is NO, and the student is not a dependent, then:

- Count ALL of the student's earned income
- Count ALL of the excess financial aid (amount C above) as income

Amount of financial aid to include in annual income: \$ _____

Student #2:

A. Total Financial Aid: \$ _____

B. Total Required Fees and Charges \$ _____

C. Excess Financial Aid (A minus B):\$ _____

Income Inclusion Determination:

1. Is this student over 23 years of age? Yes No
2. Is this student a veteran? Yes No
3. Is this student married? Yes No
4. Does this student have a dependent child? Yes No
5. Is this student a person with disabilities AND receiving Section 8 assistance as of 11/30/2005? Yes No
6. Is this student the Head of Household, Co-Head, or Spouse? Yes No

If the answer to ANY of questions 1-6 is YES, then:

- Count only the amount over \$480 of the student's earned income
- DO NOT count any of the excess financial aid as income

If the answer to ALL of questions 1-6 is NO, and the student is a dependent, then:

- Count only the amount over \$480 of the student's earned income
- DO NOT count any of the excess financial aid as income

If the answer to ALL of questions 1-6 is NO, and the student is not a dependent, then:

- Count ALL of the student's earned income
- Count ALL of the excess financial aid (amount C above) as income

Amount of financial aid to include in annual income: \$ _____

PART V: DOCUMENTATION CHECKLIST

Required Documentation Attached for Each Student:

- School verification of enrollment status (full-time/part-time)
- Financial aid award letters
- Billing statements showing tuition and required fees
- Documentation of required books and supplies
- Age verification (if claiming over 23)
- Veteran status verification (if applicable)
- Marriage certificate (if applicable)
- Birth certificate of dependent child (if applicable)
- Disability verification (if applicable)
- Other: _____

PART VI: CERTIFICATION

I certify that the information provided in this worksheet is true and complete to the best of my knowledge. I understand that providing false information may result in denial or termination of housing assistance and may be punishable under federal law.

Resident Signature

Date

FHC Representative

Date

HOTMA STUDENT FINANCIAL AID RULES - QUICK REFERENCE

HOTMA Changes to Student Financial Aid

The Housing Opportunity Through Modernization Act (HOTMA) modified how student financial assistance is treated for income calculations in HUD housing programs.

Key Points:

1. Only "Excess" Financial Aid is Potentially Counted
 - Excess financial aid = Total financial aid MINUS tuition and required fees/charges
 - Required fees/charges include mandatory fees, books, supplies, and equipment required for enrollment
2. For Most Students, Excess Financial Aid is EXCLUDED from Income
 - For dependent students (those under 24, not veterans, unmarried, no dependents)
 - For independent students who are:
 - Over 23 years of age
 - Veterans
 - Married

- Have dependent children
- Have disabilities and were receiving Section 8 assistance as of 11/30/2005
- Head of household, co-head, or spouse

3. Excess Financial Aid is INCLUDED in Income Only For:**

- Independent students who do not meet any of the above criteria AND
- Are not the Head of Household, Spouse, or Co-Head

4. Student Earned Income

- For dependent students: Only count earned income exceeding \$480 annually
- For independent students: Count all earned income

Documentation Requirements:

- Financial aid must be documented for the entire academic year
- Required fees must be verified through official school documentation
- Student status (dependent/independent) must be verified
- Any claimed exemptions must be documented

Income Exclusions Table

| | | | |
|-----------------------------|---|-----------------------|---|
| Other | Federally Mandated Income Exclusions | 24 CFR 5.609(b)(22) | Amounts that must be excluded by federal statute. HUD will publish a Federal Register notice that includes the qualifying benefits. |
| Assets | Imputed Income from Assets | 24 CFR 5.609(b)(1) | Any imputed return on an asset when net family assets total \$50,000 (adjusted annually) or less and no actual income from the net family assets can be determined. |
| Non-recurring income | Non-recurring income | 24 CFR 5.609(b)(24) | Income that will not be repeated in the coming year based on information provided by the family. |
| Self-employment | Gross Self-employment Income | 24 CFR 5.609(b)(28) | Gross income received through self-employment or operation of a business |
| Dependents | Minors (children under the age of 18 years) | 24 CFR 5.609(b)(3) | All earned income of all children under the age of 18, including foster children. |
| Dependents | Adoption assistance payments | 24 CFR 5.609(b)(15) | Adoption assistance payments for a child in excess of the amount of the dependent deduction. |
| Students | Earned Income of Dependent Students | 24 CFR 5.609(b)(14) | Earned income of dependent full-time students in excess of the amount of the dependent deduction. |
| Students | Title IV HEA Assistance | 24 CFR 5.609(b)(9)(i) | Any assistance that Section 479B of the Higher Education Act (HEA) of 1965, as amended, requires to |

| | | | |
|---------------------------------|---------------------------------------|------------------------|---|
| Students | Other Student Financial Assistance | 24 CFR 5.609(b)(9)(ii) | be excluded from a family's income. Student financial assistance, not excluded under the HEA, for actual covered costs of higher education. |
| Students | Educational Savings Account | 24 CFR 5.609(b)(10) | Income and distributions from any Coverdell educational savings account of or any qualified tuition program under IRS section 530 or any qualified tuition program under section 529. |
| Baby bonds | Baby bonds | 24 CFR 5.609(b)(10) | Income earned by government contributions to, or distributions from, 'baby bond' accounts created, authorized or funded by federal, state or local government. |
| Foster children/adults | Payments for Foster Children / Adults | 24 CFR 5.609(b)(4) | Payments received for the care of foster children or adults, including State kinship, guardianship care payments, or tribal kinship payments. |
| Foster children/adults | Income of foster children / adults | 24 CFR 5.609(b)(8) | Income of a live-in aide, foster child, or foster adult as defined in 24 CFR 5.403 and 5.603. |
| Live-in Aide | Income of a Live-in Aide | 24 CFR 5.609(b)(8) | Income of a live-in aide, foster child, or foster adult. |
| People with Disabilities | ABLE accounts | 24 CFR 5.609(b)(22) | Will be included in federally mandated excluded amounts. Notice PIH 2019-09/H-2019-06 details |

| | | | |
|---------------------------------|---|------------------------|--|
| People with Disabilities | State Payments to Allow Individuals with Disabilities to Live at Home | 24 CFR 5.609(b)(19) | when ABLE account income is excluded. Payment made by an authorized by a state Medicaid managed care system or other state agency to a family to enable a family member to live in the family's assisted unit. |
| People with Disabilities | Plan to Attain Self-Sufficiency (PASS) | 24 CFR 5.609(b)(12)(i) | Amounts set aside for use under a Plan to Attain Self-Sufficiency (PASS). |
| People with Disabilities | Reimbursements for Health and Medical Care Expenses | 24 CFR 5.609(b)(6) | Amounts for, or in reimbursement |

Income and Income Exclusions Resource Sheet

| | | | |
|-------------------|--|---------------------|--|
| Trusts | Trust distributions | 24 CFR 5.609(b)(2) | Any distributions of a trust's principal are excluded. PHAs and owners must count any distributions of income from an irrevocable trust or a trust not under the control of the family (e.g., distributions of earned interest) as income to the family with the expectation of distributions used to pay the health and medical care expenses of a minor. |
| Insurance | Insurance payments and settlements for personal or property loss | 24 CFR 5.609(b)(5) | Insurance payments and settlements for personal or property loss including, but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation. |
| Retirement | Retirement plan | 24 CFR 5.609(b)(26) | Income received from any account under an IRS-recognized retirement plan. However, periodic payments are income at the time of receipt. |
| Military | Hostile fire special payment | 24 CFR 5.609(b)(11) | The special pay to a family member serving in the Armed Forces who is exposed to hostile fire. |
| Veterans | Veterans aid and attendance payments | 24 CFR 5.609(b)(17) | Payments related to aid and attendance for veterans under 38 U.S.C. 1521. |

| | | | |
|-------------------------------------|--|--------------------------|--|
| Lawsuits | Lawsuit Settlements | 24 CFR 5.609(b)(7) | Amounts recovered in a civil action or settlement based on malpractice, negligence and other breach of duty claim resulting in a family member becoming disabled. |
| Lawsuits | Reparations for Persecution | 24 CFR 5.609(b)(13) | Reparation payments paid by a foreign government for claims by people persecuted during the Nazi era. |
| Lawsuits | Tribal Claims Payments | 24 CFR 5.609(b)(21) | Payments received by tribal members from claims relating to the mismanagement of assets held in trust by the United States. |
| Lawsuits | Lawsuits related to civil rights | 24 CFR 5.609(b)(25) | Civil rights settlements or judgments, including settlements or judgments for back pay. |
| Reimbursements | Reimbursements from publicly assisted programs | 24 CFR 5.609(b)(12)(ii) | Amounts received by a participant in other publicly assisted programs for or in reimbursement of expenses to allow program participation (e.g., special equipment, clothing, transportation, childcare, etc.). |
| Resident Services Stipend | Resident Services Stipend | 24 CFR 5.609(b)(12)(iii) | Resident service stipends of \$200 or less per month for performing a part-time service for the PHA that enhances the quality of life in the development. |
| Employment training programs | Employment training programs | 24 CFR 5.609(b)(12)(iv) | Incremental earnings and benefits from training programs HUD and qualifying |

| | | | |
|-----------------------------|--|---------------------|--|
| | | | employment training programs and training of a family member as resident management staff. |
| FSS | Family Self Sufficiency Account | 24 CFR 5.609(b)(27) | Income earned on amounts placed in a family's FSS account. |
| Housing gap payments | Housing "gap" payments | 24 CFR 5.609(b)(23) | Replacement housing "gap" payments to offset increased rent and utility costs to families displaced from one federally subsidized housing unit and another. |
| Benefits | Deferred Supplemental Security Income, SS income and benefits, or VA disability benefits | 24 CFR 5.609(b)(16) | Deferred periodic amounts from: SSI, Supplemental Security Income and benefits or VA disability benefits that are received in a lump sum or prospective monthly amounts. |
| Property tax rebates | Property Tax Rebates | 24 CFR 5.609(b)(18) | Refunds or rebates under state or local law for property taxes paid on the dwelling unit. |
| Loans | Loan Proceeds | 24 CFR 5.609(b)(20) | The net amount disbursed by a lender to a borrower or a third party (e.g., educational institution or car dealership) |

FLINT HOUSING COMMISSION APPLICANT BRIEFING PACKET

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1. Welcome Letter
2. Program Overview
3. Family Obligations
4. Income and Asset Reporting Requirement
5. Rent Calculations
6. Annual and Interim Reexaminations
7. Housing Quality Standards
8. Fair Housing and Reasonable Accommodations
9. Violence Against Women Act Protections
10. Termination of Assistance
11. Grievance Procedures
12. Community Resources
13. Contact Information
14. Acknowledgment Form

WELCOME LETTER

Dear Resident,

Welcome to the Flint Housing Commission (FHC) housing assistance program. This briefing packet contains important information about your rights and responsibilities as a participant in our Public Housing/Housing Choice Voucher program. Please read this information carefully and keep it for future reference.

The Housing Opportunity Through Modernization Act (HOTMA) of 2016 made several changes to federal housing programs. This packet explains these changes and how they might affect you. Our staff is available to answer any questions you may have.

Sincerely,

David Northern
CEO
Flint Housing Commission

PROGRAM OVERVIEW

Affordable Housing Programs offered by the Flint Housing Commission consists of Public Housing, Low Income Housing Tax Credit (LIHTC) and Conventional housing options. These units are located throughout the city of Flint and provide safe, quality, affordable homes for income-eligible individuals and families. The list of Affordable Housing communities is as follows:

The Flint Housing Commission owns and manages these properties:

- Richert Manor, Forest Park, Garland Chase Apartments
- Atherton East Townhouses
- River Park
- Kenneth Simmons Square

Housing Choice Voucher Program

The Housing Choice Voucher (HCV) Program helps eligible families rent housing in the private market. FHC provides financial assistance that pays a portion of the family's rent directly to the landlord.

Key HCV program features:

- You choose your own housing
- Housing must meet program standards
- You pay approximately 30% of your adjusted income toward rent
- FHC pays the remainder directly to the landlord

HOTMA Program Changes

The Housing Opportunity Through Modernization Act (HOTMA) makes several important changes:

- Asset limitations (\$100,000 net asset limit)
- Real property ownership restrictions
- Streamlined income reviews for fixed-income households
- Over-income limits for public housing residents
- Improved inspection processes for HCV units

FAMILY OBLIGATIONS

All Program Participants Must:

1. Provide Complete and Accurate Information

- Supply any information that FHC or HUD determines is necessary

- Information must be true and complete
- Sign required consent forms

2. Report Changes

- Report changes in income within 10 days
- Report changes in household composition within 10 days
- Report acquisition of assets over \$100,000
- Report acquisition of real property

3. Allow Housing Inspections

- Permit FHC to inspect the unit at reasonable times with reasonable notice

4. Comply with Lease Terms

- Pay your portion of rent on time
- Keep utilities connected (if tenant responsibility)
- Maintain the unit in good condition

5. Get FHC Approval

- Request and receive written approval before adding family members
- Notify FHC of any absence from the unit

Additional HCV Participant Obligations:

1. Use the Assisted Unit as Your Residence

- The unit must be your only residence
- You cannot sublease or transfer your unit
- You cannot own or have an interest in the unit (with certain exceptions)

2. When Moving

- Give proper notice to the landlord
- Notify FHC before moving out
- Comply with all lease termination requirements

3. Business Use of Unit

- Limited business use may be allowed with prior approval
- The unit must remain primarily residential

Public Housing Resident Obligations:

1. Community Service

- Non-exempt adults must perform 8 hours of community service per month
- See section on Community Service for exemption information

2. Unit Maintenance

- Keep the unit clean and free from hazards
- Report maintenance problems promptly
- Allow staff to make necessary repairs

INCOME AND ASSET REPORTING REQUIREMENTS

Reportable Income

You must report all income received by all household members, including:

- Employment wages and salaries
- Self-employment income
- Social Security and SSI
- Pension and retirement benefits
- Unemployment benefits
- Child support and alimony
- Regular gifts or contributions
- Veteran's benefits
- Welfare assistance
- Rental income from assets

Income Exclusions

Some income is not counted, including:

- Income from employment of children under 18
- Lump-sum additions to family assets (inheritances, settlements)
- Medical expense reimbursements
- Income of a live-in aide
- Student financial assistance
- Special armed forces pay
- Temporary, nonrecurring income
- Reparation payments
- Earned income of full-time students (beyond \$480) except for head/co-head/spouse

Asset Limitations (HOTMA Provision)

- Families with net assets exceeding \$100,000 are ineligible for assistance
- Assets include bank accounts, investments, real estate equity, etc.
- Excluded assets: necessary personal property, inaccessible trust funds, retirement accounts with withdrawal penalties
- You must report when your total assets approach or exceed \$100,000

Real Property Ownership (HOTMA Provision)

You cannot own or have an ownership interest in real property suitable for occupancy unless:

- You are making a good faith effort to sell the property
- Property is jointly owned with someone who:
 - Has subjected a family member to domestic violence, or
 - Cannot be located despite reasonable efforts
 - The property is inaccessible due to legal barriers
 - The property cannot be used due to distance from employment or services

Self-Certification of Assets Under \$50,000

- If your total assets are under \$50,000, you may self-certify the amount
- You must provide actual third-party documentation:
 - At admission
 - At least once every three years
 - If assets approach or exceed \$50,000

RENT CALCULATIONS

For All Programs:

- Rent is generally based on 30% of your adjusted monthly income
- Adjusted income = Annual income minus allowable deductions
- Deductions include:
 - \$480 for each dependent, adjusted annually for inflation
 - \$525 for elderly/disabled households
 - Childcare expenses (enabling work or education)
 - Medical expenses exceeding 3% of annual income (elderly/disabled households)
 - Disability assistance expenses

For Public Housing:

- You have a choice between:
 - Income-based rent (30% of adjusted income)
 - Flat rent (market-based amount)
 - Utility allowances are provided if you pay utilities
 - Minimum rent is \$50 unless you qualify for a hardship exemption

For Housing Choice Voucher:

Your share is generally 30% of adjusted monthly income

Payment standard for FHC (effective February 2025):

- Efficiency: **[\$Amount]**

- 1 Bedroom: \$[Amount]
- 2 Bedroom: \$[Amount]
- 3 Bedroom: \$[Amount]
- 4 Bedroom: \$[Amount]
- Utility allowance is provided if you pay utilities
- You may not pay more than 40% of adjusted income for rent when initially renting a unit or moving
- **Utility Allowances (HOTMA Update)**
- Based on the lower of:
 - The voucher unit size for which you qualify, or
 - The size of the unit you actually lease
 - Exception possible as a reasonable accommodation for disabilities
 - Current utility allowance schedule attached as Appendix A

Minimum Rent and Hardship Exemptions

- Minimum rent is \$50 per month
- Hardship exemptions available for:
 - Loss of eligibility for or awaiting eligibility for a federal, state, or local assistance program
 - Eviction risk due to inability to pay minimum rent
 - Income decrease due to changed circumstances
 - Death in the family
 - Other circumstances determined by FHC

ANNUAL AND INTERIM REEXAMINATIONS

Annual Reexamination

- FHC must review your income and household composition at least annually
- You will receive a notice 90-120 days before your reexamination date
- You must provide all requested information by the deadline
- Failure to comply can result in termination of assistance

Fixed Income Households (HOTMA Provision)

- If 90% or more of your income comes from fixed sources (Social Security, pensions, etc.):
- Full income verification only once every three years
- In intervening years, FHC will apply a COLA or similar adjustment

Interim Reexaminations

You must report within 10 days:

- Any change in household composition
- Increases in income exceeding 10% of annual income
- For fixed-income households: Increases in non-fixed income exceeding 10% of total household income
- Acquisition of assets that would exceed \$100,000
- Acquisition of real property

You may request an interim reexamination if:

- Your income decreases
- Your expenses increase (childcare, medical, etc.)
- Other circumstances affecting your rent calculation change

For Public Housing Only - Over-Income Families (HOTMA Provision)

- An over-income family is one whose income exceeds 120% of Area Median Income for two consecutive years
- Current over-income threshold for FHC (as of February 2025):
 - 1 Person: \$[Amount]
 - 2 Person: \$[Amount]
 - 3 Person: \$[Amount]
 - 4 Person: \$[Amount]
 - 5 Person: \$[Amount]
 - 6 Person: \$[Amount]

If your income exceeds this threshold:

- FHC will notify you after the first annual reexamination
- If your income still exceeds the threshold at the next annual reexamination, FHC will:
 - Charge a higher rent (the greater of Fair Market Rent or the actual subsidy amount for the unit), or
 - Terminate tenancy with 6 months' notice

HOUSING QUALITY STANDARDS

Initial Inspections

- All units must pass inspection before assistance begins
- HOTMA allows occupancy with non-life-threatening deficiencies if:
 - Deficiencies are corrected within 30 days
 - Unit has passed an alternative inspection in past 24 months

Biennial Inspections (HOTMA Provision)

- Units will be inspected at least once every 24 months
- More frequent inspections may occur if:
 - The unit has a history of violations
 - FHC receives complaints
 - A special inspection is requested

Life-Threatening Conditions

The following must be fixed within 24 hours:

- Gas leaks
- Major plumbing leaks or flooding
- Utilities not in service
- No functioning toilet
- Exposed electrical wiring
- Security issues (broken doors, windows)
- Missing or inoperable smoke detectors
- Structural hazards

Other Deficiencies

- Must be corrected within 30 days
- Extensions may be granted for good cause
- Failure to correct deficiencies can result in:
 - Abatement of HAP payments (HCV program)
 - Termination of assistance
 - For public housing: Lease violation and potential eviction

FAIR HOUSING AND REASONABLE ACCOMMODATIONS

Fair Housing

It is illegal to discriminate based on:

- Race, color, national origin
- Religion
- Sex (including gender identity and sexual orientation)
- Familial status
- Disability

If you believe you have experienced discrimination, contact:

- FHC Fair Housing Coordinator: **[Phone Number]**
- HUD Fair Housing Complaint Hotline: 1-800-669-9777

Reasonable Accommodations

- A reasonable accommodation is a change in rules, policies, practices, or services
- Available when needed due to a disability
- Must be necessary for equal opportunity to use and enjoy the dwelling
- Must be reasonable and not impose undue financial/administrative burden

To request a reasonable accommodation:

1. Complete a Reasonable Accommodation Request Form (available at FHC office)
2. Provide verification of disability and need (if not obvious)
3. FHC will respond within 15 business days

Examples include:

- Accessible parking space
- Service/assistance animals
- Live-in aide
- Additional bedroom for medical equipment
- Physical modifications to the unit

VIOLENCE AGAINST WOMEN ACT PROTECTIONS

VAWA Protections

VAWA provides protections for victims of:

- Domestic violence
- Dating violence
- Sexual assault
- Stalking

These protections include:

- An incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking cannot be construed as a lease violation
- Such incidents cannot be "good cause" for termination of assistance, tenancy, or occupancy rights
- Criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking cannot be grounds for termination

Certification of Domestic Violence

If you claim VAWA protections, FHC may request certification through:

- HUD-approved certification form (Form HUD-5382)
- Police or court record
- Statement from qualified third party (doctor, counselor, etc.)

Emergency Transfers

VAWA allows emergency transfers to another unit if you reasonably believe there is a threat of imminent harm:

- FHC's Emergency Transfer Plan is available upon request
- To request an emergency transfer, complete the Emergency Transfer Request Form (Form HUD-5383)

Confidentiality

- FHC will keep all information about VAWA cases confidential
- Information will not be entered into shared databases
- Information will not be disclosed to anyone unless:
 - You give written permission
 - It is required for eviction proceedings
 - It is otherwise required by law

TERMINATION OF ASSISTANCE

Grounds for Termination

FHC may terminate assistance if:

- You violate any family obligations
- Any household member has committed fraud or provided false information
- Any household member engages in drug-related or violent criminal activity
- The family owes money to FHC or another PHA
- Family assets exceed \$100,000 (HOTMA provision)
- Family acquires ownership interest in suitable real property without qualifying for an exception (HOTMA provision)
- Public housing residents exceed the over-income limit for two consecutive years (HOTMA provision)

Notice of Termination

- FHC will provide written notice stating:
 - The specific reasons for termination
 - The effective date of termination
 - Your right to request a hearing
 - Your right to examine relevant documents

For Housing Choice Voucher Participants:

- If your assistance is terminated, your landlord will be notified
- You may still be responsible for the full rent amount under your lease
- Termination of assistance does not automatically terminate your lease

For Public Housing Residents:

- Termination of assistance means eviction from your unit
- You will receive notice in accordance with your lease and state law
- You have the right to a grievance hearing before eviction

GRIEVANCE PROCEDURES**Informal Reviews and Hearings**

You have the right to dispute FHC decisions including:

- Denial of assistance
- Termination of assistance
- Rent determinations
- Unit size determinations
- Denial of a hardship exemption

For Public Housing:**1. Informal Settlement**

- Request an informal settlement within 10 days of the adverse action
- Meet with a FHC representative to discuss the issue
- Receive a written summary of the meeting

2. Formal Hearing

- If not resolved at informal settlement, request a formal hearing within 10 days
- Hearing will be conducted by an impartial hearing officer
- You may present evidence, witnesses, and arguments
- You may be represented by an attorney or other representative

For Housing Choice Voucher:**1. Informal Hearing**

- Request a hearing in writing within 10 days of the notice
- Hearing will be conducted by an impartial hearing officer
- You may present evidence, witnesses, and arguments
- You may be represented by an attorney or other representative

Decision and Appeal

- You will receive a written decision stating the reasons
- The decision is binding on FHC unless:
 - The grievance does not fall within the scope of the grievance procedure
 - The decision conflicts with HUD regulations or requirements
 - The decision exceeds the authority of the hearing officer
 - The decision is contrary to HUD-approved Annual Plan

COMMUNITY RESOURCES

Employment and Training

- Michigan Works: Genesee County Service Center
- Genesee County Department of Human Services
- Flint & Genesee Chamber of Commerce
- Flint BUILD Program
- Diplomat Specialty Pharmacy Job Training
- UAW-GM Center for Human Resources
- Mott Community College's Regional Technology Center
- YouthBuild Flint
- GST Michigan Works! Young Professionals Program
- Veterans' Employment Services

Education

- Flint Community Schools
- Veterans' Employment Services
- Mott Community College
- Kettering University
- Baker College of Flint
- Flint Community Schools
- Genesee Intermediate School District (GISD)
- Crim Fitness Foundation
- Ruth Mott Foundation
- Charles Stewart Mott Foundation
- Flint Development Center

Healthcare

- Hamilton Community Health Network
- Genesee Health System
- Genesee County Health Department
- Hurley Medical Center
- McLaren Flint Hospital

- Ascension Genesys Hospital
- Hurley Children's Hospital
- MSU-Hurley Children's Hospital Pediatric Public Health Initiative

Social Services

- United Way of Genesee County
- Catholic Charities of Shiawassee and Genesee Counties
- Salvation Army of Genesee County
- Food Bank of Eastern Michigan
- North End Soup Kitchen
- Flint Fresh
- Shelter of Flint
- Genesee County Community Action Resource Department (GCCARD)
- Big Brothers Big Sisters of Flint and Genesee County
- Boys & Girls Clubs of Greater Flint
- Valley Area Agency on Aging
- Brennan Senior Center
- YWCA SafeHouse
- Wellness Services

CONTACT INFORMATION:

Flint Housing Commission

Main Office:
3820 Richfield Rd
Flint, MI 48506

Phone: (810) 736-3050
Fax: (810)736-3050
Website: www.flinthc.org

Office Hours:

Monday-Friday: 9AM- 4PM

Staff Directory:

- David Northern: Chief Executive Officer
- Shamel Burnett: Director of Housing Choice Voucher Program
- James Franks: Interim Director of Asset Management
- James Franks: Maintenance Director
- Yolanda Brown: Program Coordinator

ACKNOWLEDGMENT FORM

I acknowledge that I have received the Flint Housing Commission Resident Briefing Packet and understand its contents. I have been informed about my rights and responsibilities under the program, including HOTMA provisions regarding:

- Asset limitations
- Real property ownership restrictions
- Streamlined income reviews for fixed-income households
- Over-income limits for public housing residents (if applicable)
- Housing Quality Standards inspections
- Interim reporting requirements

I understand that failure to comply with program requirements may result in termination of assistance.

Participant Name (Print)

Participant Signature

Date

FHC Representative

Date

(Sign and return this form to FHC. Keep the briefing packet for your records.)

The following HUD Forms will be included in the Briefing Packet provided to the HCV/Public Housing Authority Applicants:

Documents to be included in HCV/Public Housing Applicant Packet

- 1. Program Overview Information**
 - Description of HCV and public housing programs
 - Eligibility criteria based on income limits (30%, 50%, 80% of Area Median Income)
 - Notice Local preferences for selection as established by Flint Housing Commission
 - HUD-52646: Housing Choice Voucher Program Voucher
 - HUD-52517: Request for Tenancy Approval (RFTA)
 - HUD-9886: Authorization for Release of Information/Privacy Act Notice
 - List and Maps of Landlords
- 2. Selection Process Information**
 - Waiting list procedures
 - Notification process
- 3. Application Forms**
 - Standard HUD application form (HUD-52646 for HCV)
 - Supplemental local application form
 - Consent forms for release of information (HUD-9886)
- 4. Income Verification Documents**
 - List of acceptable income documentation
 - Self-certification forms (when applicable under HOTMA)
 - Asset declaration forms (including the \$100,000 asset limitation under HOTMA)
- 5. Asset Verification (HOTMA \$100,000 Asset Limitation)**
 - HUD-27054: Certification of Asset Self-Certification (for assets under \$50,000)
 - HUD Form 52675: Debts Owed to Public Housing Agencies and Terminations
- 6. Fixed Income Provisions (HOTMA Streamlined Recertification) HUD-90012:**
 - Consent for Release of Information - Asset Income Self-Certification
 - HUD-90101: Self-Certification of Fixed Income
- 7. Over-Income Households (HOTMA Provisions)**
 - HUD-5380, HUD-5381 (when applicable for over-income household notifications)
- 8. Project-Based Voucher Program Changes Under HOTMA**
 - HUD-52530A: PBV HAP Contract - New Construction or Rehabilitation
 - HUD-52530B: PBV HAP Contract - Existing Housing
 - HUD-52517: Request for Tenancy Approval (Updated for PBV units)
- 9. Housing Quality Standards (HCV Inspection Updates)**
 - HUD-52580: Inspection Form
 - HUD-52580-A: Inspection Checklist (Long Form)
- 10. Utility Allowance Requirements (HOTMA Updates)**
 - HUD-52667: Allowances for Tenant-Furnished Utilities and Other Services
- 11. Violence Against Women Act (VAWA) Forms**
 - HUD-5380: Notice of Occupancy Rights Under VAWA

- HUD-5382: Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
- HUD-5383: Emergency Transfer Request Form

12. HOTMA-Specific Information

- Income calculation methods (annual vs. adjusted income)
- Asset limitations and verification requirements
- Explanation of streamlined income determination for fixed-income households
- Information on the new income reexamination schedule (triennial for fixed income)

13. Criminal Background Check Information

- Disclosure forms for criminal history
- Explanation of eligibility restrictions for certain criminal histories
- Rights regarding criminal background checks

14. Citizenship/Immigration Status Verification

- Declaration of citizenship/eligible immigration status forms
- List of acceptable documentation
- Mixed family rent calculation information

15. Reasonable Accommodation Information

- Request forms for reasonable accommodations
- Rights information under Fair Housing laws
- Process for requesting accommodations

16. Grievance and Appeal Procedures

- Explanation of applicant rights
- Appeal process for denial of admission
- Informal hearing procedures

17. Other Required Certifications

- Lead-based paint disclosure forms
- Violence Against Women Act (VAWA) notification
- EIV (Enterprise Income Verification) system information

Public Housing and Housing Choice Voucher Program List of Discretionary Policies to Implement HOTMA

This chart is meant to help PHAs think about the policies they need to set in their Admissions and Continued Occupancy Plans (ACOP) and/or Administrative Plans (Admin Plan). The information provided here is subject to change, pending the final PIH Notice implementing HOTMA 102 and 104.

| Topic | Related HOTMA Policy Background | HOTMA Discretionary Policies <small>These are policy choices that PHAs need to make and include in their ACOPs or Admin Plans.</small> |
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| Self-Certification of Net Family Assets Equal to or Less Than \$50,000 (adjusted annually for inflation) (24 CFR §§ 5.603; 5.609; 5.618; 882.515(a); 882.808(i)(1); 960.259(c)(2); 982.516(a)(3)) | <ul style="list-style-type: none"> PHAs must determine if the family’s total net family assets are equal to or less than \$50,000, and they must determine the actual income earned from the asset(s). | <ul style="list-style-type: none"> PHAs may accept a family’s self-certification of net family assets equal to or less than \$50,000 (adjusted annually for inflation) and anticipated income earned from assets without taking additional steps to verify accuracy, at admission and at reexamination. Accepting a family’s self-certification at admission may reduce the initial burden on applicants and speed up the lease-up process. In deciding whether to accept a self-certification of assets at admission, PHAs are encouraged to consider the local needs and priorities in their communities along with the potential risks of accepting self-certification of net family assets, including the requirement to repay funds for |

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| | | <p>participants/tenants who are later found to be ineligible for assistance.</p> <ul style="list-style-type: none"> • PHAs who choose to accept self-certification of net family assets equal to or less than \$50,000 (adjusted annually for inflation) at reexamination are required to fully verify net family assets every three years (882.515(a); 882,808(i)(1); 960.259(c)(2); 982.516(a)(3)). • PHAs who choose not to accept a family’s self-certification must verify a family’s net assets. • PHAs must include in their ACOPs or Admin Plans whether they will accept a family’s self-certification of net family assets equal to or less than \$50,000 at admission (only for new admissions effective on or after 1/1/2024) and at reexamination. |
| <p>Hardship Exemptions for Health/Medical Care Expenses & Reasonable Attendant Care & Auxiliary Apparatus Expenses – <u>General Relief</u> (24 CFR § 5.611(c)(2))</p> | <p>N/A</p> | <ul style="list-style-type: none"> • PHAs must develop written policies in their ACOPs or Admin Plans defining what constitutes a hardship for the purposes of the general relief hardship exemption for health and medical care expenses and reasonable attendant care & auxiliary apparatus expenses. • PHAs may, pursuant to their own discretionary policy, extend the hardship relief for one or more additional 90-day periods while the family’s hardship condition continues. |

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| | | <ul style="list-style-type: none"> PHAs must state whether they will allow extensions of the 90-day hardship period and the maximum number of 90-day extension periods (if establishing a maximum policy) that a family may receive. <p>Note: PHAs are not limited by HUD to a maximum number of 90-day extensions.</p> <p>PHAs must obtain third-party verification of the hardship or must document in the file the reason that third-party verification was not available. PHAs must attempt to obtain third-party verification prior to the end of the 90-day hardship period.</p> |
| <p>Hardship Exemptions for Health/Medical Care Expenses & Reasonable Attendant Care & Auxiliary Apparatus Expenses – <u>Phased-In Relief</u> (24 CFR § 5.611(c)(1))</p> | <ul style="list-style-type: none"> All families who received a deduction for unreimbursed health and medical care and/or reasonable attendant care or auxiliary apparatus expenses based on their most recent income review prior to January 1, 2024, will begin receiving the 24-month phased-in relief at their next annual or interim reexamination, whichever occurs first on or after the date the PHA complies with HOTMA. | <p>N/A</p> |

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| | <ul style="list-style-type: none"> • Families who receive phased-in relief will have eligible expenses deducted as follows: <ul style="list-style-type: none"> ○ <u>1st twelve months</u> – in excess of 5% of annual income. ○ <u>2nd twelve months</u> – in excess of 7.5% of annual income. ○ <u>After 24 months</u> – in excess of 10% threshold will phase in and remain in effect unless the family qualifies for General Hardship relief. • Once a family chooses to obtain general relief, a family may no longer receive the phased-in relief. | |
| <p>Hardship Exemption to Continue Child Care Expense Deduction (24 CFR § 5.611(d))</p> | <ul style="list-style-type: none"> • PHAs must develop written policies to define what constitutes a hardship, which includes the family’s inability to pay rent, for the purposes of the childcare expense hardship exemption. • PHAs must include this policy in their ACOPs or Admin Plans. • PHAs must obtain third-party verification of the family’s inability to pay rent or must document in the file with the reason third-party verification was not available. | <ul style="list-style-type: none"> • PHAs must develop written policies to define what constitutes a hardship, which includes the family’s inability to pay rent, for the purposes of the childcare expense hardship exemption. • PHAs must include this policy in their ACOPs or Admin Plans. • PHAs may, pursuant to their own discretionary policy, extend the relief for one or more additional 90-day periods while the family’s hardship condition continues. |

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| | <p>PHAs must attempt to obtain third-party verification prior to the end of the 90-day period.</p> | <ul style="list-style-type: none">• PHAs must include in their ACOPs or Admin Plans whether they will allow extensions of the 90-day hardship period and the maximum number of 90-day extension periods (if establishing a maximum policy) that a family may receive. <p>Note: PHAs are not limited by HUD to a maximum number of 90-day extensions</p> |
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| <p>Additional (Permissive) Deductions – Public Housing, Housing Choice Voucher, and Moderate Rehabilitation/SRO Only (24 CFR § 5.611(b)(1))</p> | <p>N/A</p> | <ul style="list-style-type: none"> • Program regulations do not specify which types of permissive deductions are allowable in the HCV, Public Housing, or Moderate Rehabilitation/SRO programs. • A PHA that chooses to adopt an additional permissive deduction(s) from annual income for the HCV and/or Moderate Rehabilitation/SRO, or Public Housing programs must include written policies in their ACOPs or Admin Plans. <p>Note: A PHA that adopts such deductions for the Public Housing program will not be eligible for an increase in Capital Fund and Operating Fund formula grants based on the application of such deductions.</p> <p>For the HCV and Moderate Rehabilitation/SRO programs, a PHA must have sufficient funding to cover the increased housing assistance payments cost of the deductions because permissive deductions will be excluded from the renewal calculation.</p> |
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| <p>De Minimis Errors in Income Determinations (24 CFR §§ 5.609(c)(4); 960.257(f); 982.516(f); 882.515(f); 882.808(i)(5))</p> | <ul style="list-style-type: none"> • PHAs must take corrective action to credit or repay a family if the family was overcharged tenant rent because of de minimis errors in calculating family income. • PHAs may not implement local policies to require families to repay in instances resulting in a family being undercharged for rent where the PHA miscalculated the family's income. | <ul style="list-style-type: none"> • PHAs must include in their ACOPs or Admin Plans how they will repay or credit a family the amount that the family was overcharged retroactive to the effective date of the action the error was made, regardless of the dollar amount associated with the error, because of the PHA's de minimis error in income determination. |
| <p>Interim Reexaminations - Decreases in Adjusted Income (24 CFR §§ 960.257(b)(2); 982.516(c)(2); 882.515(b)(2); 891.410)</p> | <ul style="list-style-type: none"> • PHAs are required by HUD to process interim reexaminations for <i>all</i> decreases in adjusted income when a family member permanently moves out of the unit. • PHAs <u>are not permitted</u> to establish a dollar figure threshold amount instead of a percentage threshold less than ten percent. | <ul style="list-style-type: none"> • PHAs may decline to conduct an interim reexamination of family income if the PHA estimates that the family's annual adjusted income will decrease by an amount that is less than ten percent of the family's annual adjusted income, or such lower threshold established by the PHA. • PHAs must identify in their ACOPS or Admin Plans the percentage threshold they will use for conducting interim reexamination for decreases in a family's adjusted income. • PHAs may establish policies to round calculated percentage decreases up or down to the nearest unit (e.g., a calculated decrease of 9.5% may be rounded up to 10%). |

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| <p>Interim Reexaminations - Increases in Adjusted Income (24 CFR §§ 960.257(b)(3); 982.516(c)(3); 882.515(b)(3))</p> | <ul style="list-style-type: none"> • PHAs must conduct an interim reexamination of family income when the they become aware that the family’s annual adjusted income has changed by an amount that would result in an estimated increase of ten percent or more in annual adjusted income or another amount established through a HUD notice, except PHAs may not consider any increases in <i>earned</i> income when estimating or calculating whether the family’s adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle. • PHAs may not establish a different threshold to conduct interim reexaminations for increases in adjusted income. | <ul style="list-style-type: none"> • PHAs may choose not to conduct an interim reexamination if a family reports an increase in income within three months of their next annual reexamination effective date. • PHAs may choose not to include <i>earned</i> income increases in determining whether the 10% threshold is met for increases in adjusted income when the family previously had an interim reexamination performed for a decrease in annual adjusted income (earned, unearned, or combined) since the last annual reexamination. • PHAs must describe these policies in their ACOPs or Admin Plans. |
| <p>Interim Reexaminations - Reporting Changes & Effective Date (24 CFR §§ 960.257(b)(4);</p> | <ul style="list-style-type: none"> • Families must report household composition changes and changes to adjusted income consistent with HOTMA requirements; however, PHAs determine the timeframe in which reporting must occur to be considered “timely.” | <ul style="list-style-type: none"> • PHAs must develop policies that describe when and under what conditions families must report changes in household composition and adjusted income consistent with HUD’s requirements for processing an interim reexamination or other non-interim reexamination transaction. |

Please note that this list may be subject to further revision based on additional guidance and/or other factors.

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| <p>982.516(d); 882.515(b)(1) - (4); 882.808(i)(4); 891.410)</p> | <ul style="list-style-type: none"> • If the PHA has adopted a retroactive rent decrease policy, it may not be applied prior to the later of: <ul style="list-style-type: none"> ○ The 1st of the month following the date of the actual decrease in income; or ○ The 1st of the month following the most recent previous income examination. <p>Note: The PHA must clearly communicate to the family and owner, if applicable, how a retroactive adjustment will affect the family's responsibility for rent.</p> | <ul style="list-style-type: none"> • PHAs have the discretion to develop specific reporting policies that describe which changes must be reported and the timeline for reporting the change to be considered timely. • PHAs may adopt a policy to apply rent decreases retroactively and establish additional criteria to describe the conditions under which retroactive decreases will be applied e.g., extenuating circumstances that may inhibit timely reporting. • PHAs must describe these policies in their ACOPs or Admin Plans. |
| <p>Revocation of Consent Form (Form HUD-9886)¹ (24 CFR §§ 5.230(c)(5)(iii) and 24 CFR 5.232(c))</p> | <ul style="list-style-type: none"> • The executed consent form will remain effective until the family is denied assistance, the assistance is terminated, or the family provides written notification to the PHA to revoke consent. • Families have the right to revoke consent by notice to the PHA; however, revoking consent can result in termination or denial | <ul style="list-style-type: none"> • PHAs may establish in written policy that revocation of consent will result in termination of assistance or denial of admission. • When PHAs do not establish a policy such that revoking consent will result in termination of assistance, participant families will be required to sign a new consent form by the next regularly |

¹ Revocation of consent or refusal to sign the consent form prohibits the PHA from requesting and accessing income information and financial records, including pulling any EIV reports and using EIV data to verify income.

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| | <p>of assistance if the PHA has established an admission and occupancy policy that the revocation of consent will result in termination of assistance or denial of admission.</p> <ul style="list-style-type: none"> • PHAs may not process interim or annual reexaminations of income, including when a family’s income decreases and the family requests an interim reexamination to decrease tenant rent, without the family’s executed consent form(s). • PHAs must explain to families the consequences, if any, of revoking their consent. • PHAs must notify their local HUD office when an applicant or participant family member revokes their consent. <p>Note: Data matches between HUD and other agencies will continue to automatically occur, when consent is revoked, if the family is not terminated from the program.</p> | <p>scheduled reexamination or interim reexamination, whichever occurs first.</p> <ul style="list-style-type: none"> • PHAs may establish policies to deny admission but allow existing participant families to continue to receive assistance after revoking their consent until the next interim or annual reexamination, whichever is sooner. |
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| <p>Determination of Family Income Using Other Means Tested Public Assistance, i.e., “Safe Harbor” (24 CFR §§ 5.609(c)(3) and 891.105)</p> | <ul style="list-style-type: none"> • PHAs may determine the family’s income prior to the application of any deductions based on income determinations made within the previous 12-month period for purposes of the following means-tested forms of Federal public assistance: <ul style="list-style-type: none"> ○ The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, et seq.). ○ Medicaid (42 U.S.C. 1396 et seq.). ○ The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.). ○ The Earned Income Tax Credit (26 U.S.C. 32). ○ The Low-Income Housing Tax Credit (26 U.S.C. 42). ○ The Special Supplemental Nutrition for Woman, Infants, and Children (42 U.S.C. 1786). ○ Other programs administered by the Secretary. ○ Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding. | <ul style="list-style-type: none"> • PHAs that choose to implement Safe Harbor income determinations must: <ul style="list-style-type: none"> ○ Establish in policy when they will accept Safe Harbor income determinations (e.g., at reexamination only or at admission and reexamination), including which programs from which they will accept income determinations; and ○ Create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs (e.g., PHAs could establish policies to accept the most recent income determination). • PHAs must include in their ACOPs or Admin Plans whether they will accept Safe Harbor income determinations, along with the accompanying policies described above, if applicable. |
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Please note that this list may be subject to further revision based on additional guidance and/or other factors.

9/25/2023

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| | <ul style="list-style-type: none">○ Other Federal benefit determinations made by other means-tested Federal programs that the Secretary determines to have comparable reliability and announces through a Federal Register notice.• PHAs are not required to accept or use determinations of income from other Federal means-tested forms of assistance.• Safe Harbor verification must be obtained by means of third-party verification and must state the family size, must be for the entire family (i.e., the family members listed in the documenting 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. | |
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| <p>Enterprise Income Verification (EIV) Usage (24 CFR § 5.233)</p> | <ul style="list-style-type: none"> • PHAs must use HUD's EIV system in its entirety, in accordance with 24 CFR 5.233. • PHAs must update their EIV policies and procedures to reflect their discretionary use of EIV reports (e.g., Income Report, zero income reports, New Hires Report, IVT) under HOTMA. | <ul style="list-style-type: none"> • PHAs are not required to use EIV during interim reexaminations. • PHAs who adopt local policies to not include <i>earned</i> income increases in determining whether the 10% threshold is met for increases in adjusted income when the family previously had an interim reexamination performed for a decrease in annual adjusted income (earned, unearned, or combined) since the last annual reexamination, are not required to use the EIV New Hires report between annual reexaminations. • PHAs who have a policy to consider <i>earned</i> income increases in calculating whether the 10% threshold has been met for an interim reexamination are required to review the EIV New Hires report at least quarterly, for the remainder of the reexamination period after the interim reexamination to decrease rent occurs. |
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Preparing for HOTMA

| Topic | Information/Guidance |
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| PHA forms | <ul style="list-style-type: none"> • PHAs must update any form referencing eligibility or admission annual and interim reexamination, etc. to comply with the HOTMA final rule. • For example: <ul style="list-style-type: none"> ○ The PHA’s local interim reexamination form must provide families a place to report all changes that impact annual adjusted income including: all changes in income, assets, expenses, and household composition. ○ A self-certification form to determine present ownership interest in any real property. If applicable i.e., the family has ownership in real property, the form can also include questions regarding the legal right to reside in, and the effective legal authority to sell a property (based on laws of the state or locality in which the property is located) that is suitable for occupancy by the family as a residence. ○ A self-certification form to declare net family assets are \$50,000 or less. This form must allow families to report anticipated asset income earned. |
| Impact of HOTMA on Family Self-Sufficiency (FSS) Programs | <p>PHAs who operate FSS programs should note that families participating in the FSS program are subject to all HOTMA interim reexamination regulations. PHAs cannot implement local policy to perform an interim reexamination for increases in adjusted income below the 10% threshold for FSS participants.</p> <p>Although families participating in FSS may experience fewer escrow increases under the HOTMA final rule, the revised IR regulations may provide these families the opportunity to use their increased earnings to realize other short or long-term goals outside of the scope of the FSS program.</p> |

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| | <p>The HOTMA interim reexamination regulations impact administration of the FSS program in the following ways:</p> <ol style="list-style-type: none"> 1. FSS participants are subject to <i>all</i> requirements of the HOTMA interim reexamination regulations; and 2. At enrollment, PHAs may not perform an interim reexamination of annual income <i>unless</i> the family experienced a change in adjusted annual income that meets the threshold to perform an interim reexamination under the HOTMA final rule. 3. Families for whom their first reexamination of income does not occur until their regularly scheduled annual reexamination will not have the opportunity to begin escrowing their increased earnings until that time and may have fewer escrow increases over the life of the 5-year contract². |
| <p>HOTMA Resources</p> | <p>HOTMA Resources Page (Public Housing and HCV): HOTMA Resources HUD.gov / U.S. Department of Housing and Urban Development (HUD)</p> <p>HUD Exchange (Public Housing and HCV only): Materials Posted: HOTMA Income and Assets Training Series - HUD Exchange</p> |

²See the [Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to Family Self-Sufficiency Program](#) final rule for more information on requirements related to the term of the FSS contract of participation (COP) i.e., it generally expires 5 years *from the date of the family's first re-certification of income after* the effective date of the FSS COP.

FLINT HOUSING COMMISSION WAITING LIST OPENING, CLOSING, and REOPENING POLICY

I. PURPOSE AND SCOPE

This policy establishes the procedures for opening, closing, and reopening the waiting lists for the Flint Housing Commission (FHC) housing programs in compliance with the Housing Opportunity Through Modernization Act (HOTMA) of 2016, HUD regulations, and fair housing requirements.

This policy applies to the following waiting lists:

1. Public Housing Program
2. Housing Choice Voucher (HCV) Program
3. Project-Based Voucher (PBV) Program
4. Special Purpose Voucher Programs
5. Site-Based Waiting Lists

II. AUTHORITY

This policy is established in accordance with:

- Housing Opportunity Through Modernization Act of 2016 (HOTMA)
- 24 CFR Part 982.206 (HCV Program)
- 24 CFR Part 960.206 (Public Housing Program)
- 24 CFR Part 983.251 (Project-Based Voucher Program)
- Fair Housing Act (42 U.S.C. 3601-3619)
- FHC Administrative Plan
- FHC Admissions and Continued Occupancy Policy (ACOP)

III. DEFINITIONS

A. **Waiting List:** A list of families organized according to HUD regulations and FHC policy that are waiting for subsidy or assistance when it becomes available.

B. **Opening:** The process of accepting new applications for placement on a waiting list.

C. **Closing:** The process of suspending the acceptance of new applications for a waiting list.

D. **Reopening:** The process of resuming the acceptance of new applications after a waiting list has been closed.

E. **Purging:** The process of updating a waiting list by removing applicants who no longer qualify or wish to remain on the list.

F. **Site-Based Waiting List:** A waiting list for a specific public housing development or PBV project.

G. Owner-Maintained Waiting List: A PBV project waiting list that is maintained by the property owner under FHC supervision, as permitted by HOTMA.

IV. OPENING WAITING LISTS

A. Criteria for Opening Waiting Lists

The FHC may open a waiting list when one or more of the following conditions exist:

1. The existing waiting list contains an inadequate number of applicants to maintain full occupancy or voucher utilization
2. The existing waiting list contains an inadequate number of applicants in certain bedroom sizes, preferences, or special program categories
3. The FHC receives additional funding or voucher allocations
4. A new housing development or PBV project becomes available
5. Special Purpose Vouchers are allocated to the FHC
6. The waiting list was purged resulting in a significantly reduced number of applicants

B. Public Notice Requirements

1. **Public Notice Timing:** Public notice will be provided at least 30 days prior to opening any waiting list.

2. **Public Notice Content:** The public notice shall include:

- a. Date the waiting list will open
- b. Time period during which applications will be accepted
- c. Programs for which applications will be accepted
- d. Brief description of the program(s)
- e. Eligibility requirements
- f. Applicable income limits
- g. Preferences that will be used
- h. Application methods (online, in-person, mail, etc.)
- i. Required information for the application
- j. Method of selection (chronological, random, lottery)
- k. Limitations (if any) on who may apply
- l. Reasonable accommodation information for persons with disabilities
- m. Contact information for questions
- n. Fair Housing logo and statement

3. **Outreach Methods:** The FHC will provide notice through multiple methods, including:

- a. Publication in newspaper(s) of general circulation
- b. FHC website
- c. Social media platforms
- d. Local government access channels
- e. Notifications to community organizations serving low-income families, persons with disabilities, and elderly persons

- f. Notifications to social service agencies
- g. Minority media outlets
- h. Other methods as appropriate to ensure fair access

4. Language Access: Notice will be provided in English and other languages prevalent in the FHC jurisdiction, in accordance with the FHC's Language Access Plan.

C. Application Procedures

1. Application Methods: The FHC will accept applications through one or more of the following methods:

- a. Online application system
- b. In-person at designated locations
- c. By mail to the FHC office
- d. At designated outreach locations
- e. By other means necessary to accommodate persons with disabilities

2. Application Period: The waiting list will remain open for a minimum of 5 business days or until a sufficient number of applications have been received, as determined by the FHC.

3. Accessibility: The FHC will make reasonable accommodations for persons with disabilities to submit applications, including:

- a. Providing assistance in completing applications
- b. Accepting applications by telephone
- c. Making home visits if necessary
- d. Extending application deadlines
- e. Other accommodations as needed

D. HOTMA-Specific Provisions

1. PBV Site-Based Waiting Lists: For PBV projects, the FHC may:

- a. Use separate waiting lists for individual PBV projects or buildings
- b. Authorize owners to maintain site-based waiting lists in accordance with FHC policies and HUD requirements
- c. Give participants on owner-maintained waiting lists the same rights as those on FHC-maintained waiting lists

2. Multiple Waiting List Participation: Applicants may apply for multiple waiting lists simultaneously without affecting their status on other waiting lists.

3. Special Purpose Voucher Waiting Lists: The FHC will maintain separate waiting lists or selection processes for Special Purpose Voucher programs, including:

- a. Family Unification Program (FUP)
- b. Veterans Affairs Supportive Housing (VASH)
- c. Non-Elderly Disabled (NED) Vouchers
- d. Emergency Housing Vouchers (EHV)

- e. Foster Youth to Independence Initiative (FYI)
- f. Other special voucher programs as allocated

V. CLOSING WAITING LISTS

A. Criteria for Closing Waiting Lists

The FHC may close a waiting list when one or more of the following conditions exist:

1. The existing waiting list contains a sufficient number of applicants to fill projected vacancies for a period of 24 months or more
2. The FHC determines that the existing waiting list is of such length that it is unreasonable to expect that a new applicant would receive assistance within a reasonable period of time
3. The FHC has limited resources to process new applications
4. Funding limitations indicate that additional applicants could not be served in the foreseeable future

B. Public Notice Requirements

1. Public Notice Content: The public notice announcing the closing of a waiting list shall include:

- a. Date the waiting list will close
- b. Programs affected by the closure
- c. Reason for closing the waiting list
- d. Expected duration of the closure, if known
- e. Information about other housing resources or referrals
- f. Fair Housing logo and statement

2. Outreach Methods: The FHC will provide notice through the same methods used for opening waiting lists, as described in Section IV.B.3.

3. Timing: When possible, notice will be published at least 10 days prior to closing the waiting list.

C. Exceptions to Closures

Even when a waiting list is closed, the FHC may continue to accept applications from:

1. Families qualifying for preferences specified by HUD or the FHC as having highest priority
2. Families qualifying for Special Purpose Voucher programs with separate waiting lists
3. Families qualifying for PBV assistance at specific sites for which waiting lists remain open
4. Families needing an emergency transfer under VAWA
5. Families referred through specified partnering agencies as authorized in the Administrative Plan or ACOP
6. Families qualifying for special admissions as defined by HUD regulations

VI. REOPENING WAITING LISTS

A. Criteria for Reopening Waiting Lists

The FHC may reopen a previously closed waiting list when one or more of the following conditions exist:

1. The waiting list no longer contains a sufficient number of applicants to maintain full occupancy or voucher utilization
2. The waiting list has been purged, resulting in a significantly reduced number of applicants
3. There is a need for applicants with specific demographics, bedroom sizes, or preference categories
4. The FHC receives additional funding or voucher allocations
5. A new housing development or PBV project becomes available

B. Public Notice Requirements

The public notice requirements for reopening a waiting list shall be the same as those for opening a waiting list, as described in Section IV

C. Partial Reopening

The FHC may implement a partial reopening of a waiting list limited to:

1. Certain bedroom sizes
2. Certain preference categories
3. Specific housing developments or PBV projects
4. Special Purpose Voucher programs
5. Other targeted categories as needed to address program requirements

In the case of a partial reopening, the public notice will clearly specify the limitations on who may apply.

VII. WAITING LIST MANAGEMENT

A. Waiting List Organization

1. Primary Organization Method: Waiting lists will be organized by one of the following methods:
 - a. Date and time of application submission
 - b. Random selection (lottery)
 - c. A combination of preferences and date/time or random selection
2. Preference Categories: The FHC will apply preferences in accordance with the Administrative Plan and ACOP, which may include:
 - a. Local residency preference

- b. Working family preference
 - c. Elderly/disabled preference
 - d. Homeless preference
 - e. Veterans preference
 - f. Victims of domestic violence preference
 - g. Involuntary displacement preference
 - h. Other preferences as adopted by the FHC
2. Income Targeting: The FHC will monitor waiting list selections to ensure compliance with income targeting requirements:
- a. For Public Housing: A minimum of 40% of annual admissions will be extremely low-income families (30% AMI or below)
 - b. For Housing Choice Voucher Program: A minimum of 75% of annual admissions will be extremely low-income families

B. Owner-Maintained PBV Waiting Lists

When the FHC authorizes owners to maintain site-based PBV waiting lists under HOTMA:

1. Written Agreement: The FHC will execute a written agreement with the owner specifying:
 - a. Owner responsibilities in managing the waiting list
 - b. PHA oversight procedures
 - c. Record-keeping requirements
 - d. Requirements for regular reporting to the PHA
 - e. Compliance with fair housing and other regulations
2. PHA Oversight: The FHC will:
 - a. Require monthly reports from owners on waiting list activities
 - b. Review owner compliance with waiting list policies at least semi-annually
 - c. Audit waiting list management procedures annually
 - d. Retain records of all oversight activities
3. Owner Responsibilities: Owners maintaining waiting lists must:
 - a. Comply with all fair housing and nondiscrimination requirements
 - b. Use the FHC-approved tenant selection plan
 - c. Make records available to the FHC upon request
 - d. Properly notify applicants of decisions
 - e. Maintain waiting list records for at least three years

C. Updating and Purging Waiting Lists

1. Regular Updates: The FHC will update each waiting list at least annually by removing applicants who:
 - a. No longer qualify for assistance
 - b. Request removal from the waiting list
 - c. Fail to respond to update notices
 - d. Cannot be located using provided contact information

2. Update Process: When updating waiting lists, the FHC will:
 - a. Mail update notices to each applicant's last known address
 - b. Use email and phone contacts when available
 - c. Provide at least 15 days for applicants to respond
 - d. Document all update efforts in applicant files
3. Reasonable Accommodations: The FHC will make reasonable accommodations during updates for persons with disabilities, including:
 - a. Extended response time
 - b. Alternative means to respond
 - c. Assistance in completing update forms
4. Reinstatement: Applicants removed during an update may be reinstated if:
 - a. They contact the FHC within 90 days of removal
 - b. They can demonstrate that failure to respond was due to circumstances beyond their control
 - c. They were removed in error

D. Record Keeping

1. Required Records: The FHC will maintain the following records for each waiting list:
 - a. Original applications
 - b. Documentation of preferences claimed
 - c. Correspondence with applicants
 - d. Selection lists and notices
 - e. Waiting list update documentation
 - f. Files of applicants who have been housed
 - g. Files of withdrawn or denied applicants
2. Retention Period: Waiting list records will be maintained for a minimum of three years after an applicant is housed or removed from the waiting list.

VIII. SPECIAL CIRCUMSTANCES

A. Emergency Housing Needs

1. VAWA Emergency Transfers: Victims of domestic violence, dating violence, sexual assault, or stalking who qualify for an emergency transfer under VAWA may be placed on waiting lists with priority status, even when lists are closed.
2. Natural Disasters: In the event of a natural disaster or other emergency resulting in displacement, the FHC may:
 - a. Open waiting lists specifically for affected households
 - b. Create a preference category for disaster victims
 - c. Seek special allocation of vouchers from HUD
 - d. Make other accommodations as appropriate

B. PBV Mobility Options

In accordance with HOTMA:

1. After 12 months of PBV assistance, families may terminate their lease and request tenant-based rental assistance.
2. When a PBV participant requests tenant-based assistance:
 - a. The family will be placed on the HCV waiting list with a preference
 - b. When vouchers become available, PBV families with mobility preference will receive priority
 - c. The FHC will maintain documentation of all such requests and placements

C. Special Admissions

Special admissions not subject to waiting list requirements include:

1. Families displaced because of demolition or disposition of a public housing project
2. Families residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project
3. Families receiving voucher assistance as part of a witness protection program
4. Families receiving assistance under special HUD-targeted programs
5. Other special admissions authorized by HUD

IX. MONITORING AND COMPLIANCE

A. Quality Control

1. Regular Reviews: The FHC will conduct quality control reviews of waiting list management procedures quarterly to ensure compliance with this policy and HUD requirements.
2. Compliance Monitoring: The FHC will monitor:
 - a. Proper application of preferences
 - b. Compliance with income targeting requirements
 - c. Adherence to fair housing and reasonable accommodation requirements
 - d. Proper documentation of waiting list selections
 - e. Accuracy of owner-maintained waiting lists

B. Reporting Requirements

1. HUD Reporting: The FHC will maintain data for required HUD reports, including:
 - a. PIC reporting on waiting list demographics
 - b. Annual Plan updates on waiting list status
 - c. Special Purpose Voucher utilization
 - d. Income targeting compliance

2. Internal Reporting: The Executive Director will receive monthly reports on:
 - a. Waiting list length by program and bedroom size
 - b. Average wait time
 - c. Demographics of waiting list applicants
 - d. Number of selections made from each waiting list

C. Policy Updates

This policy will be reviewed annually and updated as needed to ensure compliance with:

1. Current HUD regulations and notices
2. HOTMA implementation requirements
3. Fair housing requirements
4. Changes in local needs and circumstances

FLINT HOUSING COMMISSION
Program Application Process Checklist

Comprehensive checklist for the application process that FHC can use to ensure HOTMA compliance:

Pre-Application Checklist

1. Program Marketing and Outreach

- Publish notice of waiting list opening (newspapers, website, partner agencies)
- Distribute marketing materials in multiple languages per LEP requirements
- Conduct targeted outreach to underserved populations
- Host informational sessions about available programs
- Update program fact sheets with current HOTMA requirements

2. Application Materials Preparation

- Update application forms to reflect HOTMA requirements
- Create clear asset limitation disclosure (\$100,000 net asset limit)
- Include real property ownership questions and exceptions
- Ensure reasonable accommodation request forms are available
- Prepare income/asset/expense worksheets

3. Intake System Setup

- Configure online application portal if applicable
- Train staff on HOTMA eligibility requirements
- Establish procedures for application receipt and logging
- Create accessible application options (online, mail, in-person)
- Set up tracking system for application status

Initial Application Processing Checklist

1. Application Acceptance

- Date and time stamp all applications
- Assign unique identifier/application number
- Enter application data into system
- Send acknowledgment receipt to applicant
- Screen for obvious program ineligibility

2. Preliminary Eligibility Review

- Verify household composition
- Review citizenship/immigration status claims
- Screen for income eligibility (within program limits)
- Screen for asset limitations (under \$100,000 total net assets)

- Check for real property ownership and applicable exceptions
- Review criminal history per FHC screening criteria
- Check for previous participation in assisted housing

3. Waiting List Placement

- Determine preliminary eligibility status
- Assign appropriate preferences per FHC policy
- Place eligible applications on waiting list
- Send notification of waiting list status
- Provide estimated wait time if available
- Inform applicants of responsibility to update contact information

Full Eligibility Determination Checklist

- Select applicants according to FHC selection policy
- Send interview notification with required documentation list
- Schedule eligibility interview
- Provide reasonable accommodation if requested

2. Required Documentation Collection

- Photo ID for all adult household members
- Social Security cards or alternative documentation
- Birth certificates or other age verification
- Income verification (pay stubs, benefit letters, etc.)
- Bank statements and asset documentation
- Real property documentation (if applicable)
- Expense documentation (medical, childcare, disability)
- Student status verification (if applicable)
- Previous landlord references
- Citizenship/immigration documentation
- Disability verification (if applicable for program or unit)

3. HOTMA-Specific Verification

- Asset verification to confirm under \$100,000 total net value
- Bank accounts (checking, savings)
- Investment accounts (stocks, bonds, retirement)
- Real property equity
- Cash value of insurance policies
- Other assets with cash value
- Real property ownership verification
- Property records search
- Documentation of efforts to sell (if applicable)
- Verification of inaccessibility (if applicable)

- Documentation of VAWA status (if basis for exception)
- Income verification for appropriate reexamination schedule
- Fixed income sources (for potential triennial recertification)
- Non-fixed income sources
- Calculation of percentage of fixed vs. non-fixed income

4. Eligibility Interview

- Review and verify all submitted documentation
- Explain program requirements and family obligations
- Verify household composition in person
- Explain HOTMA-specific requirements
- Clarify income, assets, and expenses
- Address questions and concerns
- Have applicant sign all required consent forms
- Explain next steps in the process

Final Eligibility Determination Checklist

1. Final Verification

- Complete EIV existing tenant search
- Conduct sex offender registry check
- Verify all income through third-party sources
- Complete debts owed search in HUD systems
- Conduct criminal background check per WHA policy
- Calculate total household income
- Determine appropriate unit size/voucher size
- Complete citizenship/immigration status verification
- Calculate tenant rent portion

2. Eligibility Decision

- Determine final eligibility status
- Document all verification sources in file
- Prepare eligibility determination letter
- If denied, include reason and appeal rights
- If approved, include next steps for housing
- Review file for completeness
- Supervisor review of eligibility determination

3. Housing Offer/Voucher Issuance

- Prepare lease documents (Public Housing) or (HCV) programs
- Schedule briefing/orientation session
- Explain tenant rights and responsibilities

- Review utility allowance and rent calculation
- Explain reporting requirements
- Discuss reexamination frequency based on income type
- Provide move-in instructions or voucher briefing
- Issue keys or voucher

Post-Selection Implementation Checklist

1. Program Entry Documentation

- Complete all required HUD Forms (9886, 50058, etc.)
- Execute lease or HAP contract
- Input data into HUD systems
- Create tenant file with all required documentation
- Set up rent payment system
- Schedule initial inspection (if not already completed)

2. HOTMA-Specific Setup

- Document appropriate reexamination schedule (annual, biennial, or triennial)
- Flag over-income status monitoring (Public Housing)
- Set up utility allowance based on appropriate unit size
- Document asset compliance for continued monitoring
- Set up tracking for special HOTMA provisions

3. Orientation

- Conduct move-in inspection with tenant
- Provide tenant handbook with HOTMA updates
- Review reporting requirements for changes
- Explain interim reexamination policies
- Explain grievance procedures
- Provide emergency contact information

Ongoing Compliance Checklist

1. Tenant File Maintenance

- Organize documentation according to HUD requirements
- Ensure all required signatures are present
- Maintain chronological record of all transactions
- Document all communication with tenant
- Maintain separate section for HOTMA compliance items

2. Waiting List Management

- Conduct periodic waiting list updates
- Remove applicants who no longer qualify or respond
- Document all waiting list changes
- Maintain waiting list preferences documentation
- Update wait time estimates periodically

3. Quality Control

- Conduct sample review of application processing
- Verify consistent application of HOTMA requirements
- Ensure timely processing of applications
- Review denied applications for accuracy
- Maintain statistics on application processing times

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| <p>De Minimis Errors in Income Determinations (24 CFR §§ 5.609(c)(4); 960.257(f); 982.516(f); 882.515(f); 882.808(i)(5))</p> | <ul style="list-style-type: none"> • PHAs must take corrective action to credit or repay a family if the family was overcharged tenant rent because of de minimis errors in calculating family income. • PHAs may not implement local policies to require families to repay in instances resulting in a family being undercharged for rent where the PHA miscalculated the family's income. | <ul style="list-style-type: none"> • PHAs must include in their ACOPs or Admin Plans how they will repay or credit a family the amount that the family was overcharged retroactive to the effective date of the action the error was made, regardless of the dollar amount associated with the error, because of the PHA's de minimis error in income determination. |
| <p>Interim Reexaminations - Decreases in Adjusted Income (24 CFR §§ 960.257(b)(2); 982.516(c)(2); 882.515(b)(2); 891.410)</p> | <ul style="list-style-type: none"> • PHAs are required by HUD to process interim reexaminations for <i>all</i> decreases in adjusted income when a family member permanently moves out of the unit. • PHAs <u>are not permitted</u> to establish a dollar figure threshold amount instead of a percentage threshold less than ten percent. | <ul style="list-style-type: none"> • PHAs may decline to conduct an interim reexamination of family income if the PHA estimates that the family's annual adjusted income will decrease by an amount that is less than ten percent of the family's annual adjusted income, or such lower threshold established by the PHA. • PHAs must identify in their ACOPS or Admin Plans the percentage threshold they will use for conducting interim reexamination for decreases in a family's adjusted income. • PHAs may establish policies to round calculated percentage decreases up or down to the nearest unit (e.g., a calculated decrease of 9.5% may be rounded up to 10%). |

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| <p>Interim Reexaminations - Increases in Adjusted Income (24 CFR §§ 960.257(b)(3); 982.516(c)(3); 882.515(b)(3))</p> | <ul style="list-style-type: none"> • PHAs must conduct an interim reexamination of family income when they become aware that the family’s annual adjusted income has changed by an amount that would result in an estimated increase of ten percent or more in annual adjusted income or another amount established through a HUD notice, except PHAs may not consider any increases in <i>earned</i> income when estimating or calculating whether the family’s adjusted income has increased, unless the family has previously received an interim reduction during the same reexamination cycle. • PHAs may not establish a different threshold to conduct interim reexaminations for increases in adjusted income. | <ul style="list-style-type: none"> • PHAs may choose not to conduct an interim reexamination if a family reports an increase in income within three months of their next annual reexamination effective date. • PHAs may choose not to include <i>earned</i> income increases in determining whether the 10% threshold is met for increases in adjusted income when the family previously had an interim reexamination performed for a decrease in annual adjusted income (earned, unearned, or combined) since the last annual reexamination. • PHAs must describe these policies in their ACOPs or Admin Plans. |
| <p>Interim Reexaminations - Reporting Changes & Effective Date (24 CFR §§ 960.257(b)(4);</p> | <ul style="list-style-type: none"> • Families must report household composition changes and changes to adjusted income consistent with HOTMA requirements; however, PHAs determine the timeframe in which reporting must occur to be considered “timely.” | <ul style="list-style-type: none"> • PHAs must develop policies that describe when and under what conditions families must report changes in household composition and adjusted income consistent with HUD’s requirements for processing an interim reexamination or other non- interim reexamination transaction. |

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| <p>982.516(d); 882.515(b)(1) - (4); 882.808(i)(4); 891.410)</p> | <ul style="list-style-type: none"> • If the PHA has adopted a retroactive rent decrease policy, it may not be applied prior to the later of: <ul style="list-style-type: none"> ○ The 1st of the month following the date of the actual decrease in income; or ○ The 1st of the month following the most recent previous income examination. <p><i>Note:</i> The PHA must clearly communicate to the family and owner, if applicable, how a retroactive adjustment will affect the family's responsibility for rent.</p> | <ul style="list-style-type: none"> • PHAs have the discretion to develop specific reporting policies that describe which changes must be reported and the timeline for reporting the change to be considered timely. • PHAs may adopt a policy to apply rent decreases retroactively and establish additional criteria to describe the conditions under which retroactive decreases will be applied e.g., extenuating circumstances that may inhibit timely reporting. • PHAs must describe these policies in their ACOPs or Admin Plans. |
| <p>Revocation of Consent Form (Form HUD-9886)¹ (24 CFR §§ 5.230(c)(5)(iii) and 24 CFR 5.232(c))</p> | <ul style="list-style-type: none"> • The executed consent form will remain effective until the family is denied assistance, the assistance is terminated, or the family provides written notification to the PHA to revoke consent. • Families have the right to revoke consent by notice to the PHA; however, revoking consent can result in termination or denial | <ul style="list-style-type: none"> • PHAs may establish in written policy that revocation of consent will result in termination of assistance or denial of admission. • When PHAs do not establish a policy such that revoking consent will result in termination of assistance, participant families will be required to sign a new consent form by the next regularly |

¹ Revocation of consent or refusal to sign the consent form prohibits the PHA from requesting and accessing income information and financial records, including pulling any EIV reports and using EIV data to verify income.

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| | <p>of assistance if the PHA has established an admission and occupancy policy that the revocation of consent will result in termination of assistance or denial of admission.</p> <ul style="list-style-type: none"> • PHAs may not process interim or annual reexaminations of income, including when a family's income decreases and the family requests an interim reexamination to decrease tenant rent, without the family's executed consent form(s). • PHAs must explain to families the consequences, if any, of revoking their consent. • PHAs must notify their local HUD office when an applicant or participant family member revokes their consent. <p><i>Note:</i> Data matches between HUD and other agencies will continue to automatically occur, when consent is revoked, if the family is not terminated from the program.</p> | <p>scheduled reexamination or interim reexamination, whichever occurs first.</p> <ul style="list-style-type: none"> • PHAs may establish policies to deny admission but allow existing participant families to continue to receive assistance after revoking their consent until the next interim or annual reexamination, whichever is sooner. |
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| <p>Determination of Family Income Using Other Means Tested Public Assistance, i.e., “Safe Harbor” (24 CFR §§ 5.609(c)(3) and 891.105)</p> | <ul style="list-style-type: none"> • PHAs may determine the family’s income prior to the application of any deductions based on income determinations made within the previous 12-month period for purposes of the following means-tested forms of Federal public assistance: <ul style="list-style-type: none"> ○ The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, et seq.). ○ Medicaid (42 U.S.C. 1396 et seq.). ○ The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.). ○ The Earned Income Tax Credit (26 U.S.C. 32). ○ The Low-Income Housing Tax Credit (26 U.S.C. 42). ○ The Special Supplemental Nutrition for Woman, Infants, and Children (42 U.S.C. 1786). ○ Other programs administered by the Secretary. ○ Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding. | <ul style="list-style-type: none"> • PHAs that choose to implement Safe Harbor income determinations must: <ul style="list-style-type: none"> ○ Establish in policy when they will accept Safe Harbor income determinations (e.g., at reexamination only or at admission and reexamination), including which programs from which they will accept income determinations; and ○ Create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs (e.g., PHAs could establish policies to accept the most recent income determination). • PHAs must include in their ACOPs or Admin Plans whether they will accept Safe Harbor income determinations, along with the accompanying policies described above, if applicable. |
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| | <ul style="list-style-type: none">○ Other Federal benefit determinations made by other means-tested Federal programs that the Secretary determines to have comparable reliability and announces through a Federal Register notice.• PHAs are not required to accept or use determinations of income from other Federal means-tested forms of assistance.• Safe Harbor verification must be obtained by means of third-party verification and must state the family size, must be for the entire family (i.e., the family members listed in the documenting 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. | |
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Enterprise Income Verification (EIV) Usage (24 CFR § 5.233)

- PHAs must use HUD's EIV system in its entirety, in accordance with 24 CFR 5.233.
- PHAs must update their EIV policies and procedures to reflect their discretionary use of EIV reports (e.g., Income Report, zero income reports, New Hires Report, IVT) under HOTMA.

- PHAs are not required to use EIV during interim reexaminations.
- PHAs who adopt local policies to not include *earned* income increases in determining whether the 10% threshold is met for increases in adjusted income when the family previously had an interim reexamination performed for a decrease in annual adjusted income (earned, unearned, or combined) since the last annual reexamination, are not required to use the EIV New Hires report between annual reexaminations.
- PHAs who have a policy to consider *earned* income increases in calculating whether the 10% threshold has been met for an interim reexamination are required to review the EIV New Hires report at least quarterly, for the remainder of the reexamination period **after** the interim reexamination to decrease rent occurs.

Additional Guidance for HCV/Public Housing Staff

HOTMA FAQ

I. Implementation Deadlines

Question: Is it true that the HOTMA compliance deadline has changed to 7/1/2025?

Answer: All programs are required to be fully compliant by 1/1/25, but until then, they must be “as compliant as possible”. PIH programs must choose a compliance date based upon their Annual Plan due date and Fiscal Year start. Multifamily programs must have their Tenant Selection Plans and EIV Policies and Procedures updated by no later than June 31, 2025. Until their software is fully compliant with TRACS 203A, MFH Owners must continue to follow their existing plans and procedures.

Question: If we have already processed ARs effective October, November, and December 2024, do we have to correct them?

Answer: HOTMA is not effective until 202. Certifications effective 6/1/2025 and later must be as HOTMA compliant as possible; there is no need to change any certifications effective before that date

II. Family Composition

Question: Are foster children and foster adults listed on the 50058?

Answer: Yes. Foster adults and foster children are members of the household. They will be considered when determining appropriate unit size and utility allowance. Under HOTMA, HUD clarifies that foster adults and foster children are no longer considered members of the assisted family and as such, their income and assets are excluded.

III. Income

Question: Is it true that HUD now requires only 2 paystubs to calculate annual income from employment?

Answer: Yes, but if 2 paystubs do not reflect an accurate accounting of the member’s annual income, you may request more.

Question: Are car payments or car insurance paid by someone outside of the household considered “in-kind” donations?

Answer: No, those are examples of bills paid on behalf of a family member and would continue to be counted as income. In-kind donations are things like personal items, toiletries, clothing, etc. The value of those items is now excluded from income if they were donated by food banks or similar organizations.

Question: Our property is layered with HUD Section 8 and LIHTC. If the way we determine income changes due to Section 8 allowing a “look-back” at the previous year, would that change also apply to LIHTC?

Answer: Not necessarily; it is important to know how your state housing finance agency is implementing HOTMA for LIHTC. Keep in mind that looking back at last year’s income is only as good as the current circumstances. If something has changed or there is a known anticipated change, you must take that into consideration.

Question: How should income be calculated for someone that works for the school system and then gets unemployment in the summertime? Should we process IRs?

Answer: The correct approach is to pro-rate the income. Include the employment income for the school year and unemployment for the summer in one certification. This is also the correct approach for other forms of known seasonal employment.

Question: HOTMA allows for the use of “means-tested verifications.” Are we required to accept these, or can we continue to obtain traditional third-party verifications?

Answer: The language used is that sites “may” accept means-tested verifications (LIHTC, WIC, SNAP, etc.). Sites are allowed to continue verifying using traditional third-party verifications. PHAs should consider conduct your own work and include acceptable forms and methods of verification in written policies and procedures.

Question: When is the last day a HOME or Public Housing participant can begin utilizing the Earned Income Disregard (EID)?

Answer: The last day a participant can begin an EID is 6/31/2025. They will still receive 24 months of the benefit; that is why the EID program officially sunsets on 1/1/2025.

IV. Assets

Question: Is it true that we must evict households that have assets worth more than \$100,000 upon Annual Recertification?

Answer: No. PHAs have the discretion to terminate assistance when a household’s assets exceed the cap, but they may not terminate tenancy.

Question: Is it true that we will not be required to obtain a six-month average balance for each checking account on a certification?

Answer: Yes, the cash value of a checking account will now be its current balance.

Question: What is the Passbook Rate for 2025

Answer: It is being revised from 0.06% to 0.40%.

Question: If a Section 8 applicant household has assets that amount to \$50,000 or less in total cash value, do we allow a self-certification of assets for the move-in certification?

Answer: Assets must be verified at least every three years. You may allow self-certifications in the intervening years when the total cash value is \$50,000 or less. Clesia Ventures recommends obtaining verifications at move-in to establish a baseline.

Question: Do sites have to allow self-certification of assets, or can they continue to require third-party verification?

Answer: The language says tenants “may” self-certify. If a site wants to continue to conduct third-part verification of all assets, it is important to treat everyone the same way. The verification procedures should be addressed in the written policies and procedures.

Question: Does the \$50,000 asset self-certification threshold apply to the LIHTC program?

Answer: The IRS considers the HOTMA final rule to supersede Rev Proc 94-65 and will allow for self-certification of assets when the cash value does not exceed \$50,000. Clesia Ventures recommends consulting with the applicable State Housing Finance Agency, as they may have more restrictive requirements in place.

Question: If someone owns real property that is physically unsafe and is cost-prohibitive to render safe, what kind of verification should we use to prove this?

Answer: HUD has not clarified the verification standard for this matter. Continue to follow the verification hierarchy outlined in other HUD guidance.

Question: If a household’s assets exceed \$50,000 in cash value, for which of those assets must we impute asset income?

Answer: Calculate imputed asset income for each asset that has an undeterminable amount of asset income (e.g.: homes, land, collections, recreational vehicles).

V. \$100,000 Asset Threshold/Disposed Assets

Question: What programs are subject to the \$100,000 asset cap?

Answer: The new rule is specific to HUD Section 8 PBRA and programs administered by PHAs. This includes Section 202/8 programs, and excludes PRAC programs.

Question: Are there restrictions on how a household may get rid of their assets more than \$100,000 to qualify for subsidy?

Answer: No, but keep in mind that applicants and tenants are still subject to the existing guidance regarding disposing assets for less than their fair market value.

Question: When a household has assets that exceed the \$100,000 threshold, can we allow them to self-certify that assets have dropped below \$100,000, or do we need to third-party verify?

Answer: PHAs should consider third-party verification to certify that a household’s assets now total \$100,000 or less.

Question: If a tenant spends down their assets on something like an elaborate vacation, what documentation does the file need to verify it was spent?

Answer: HUD does not require verification of purchases made from assets. Your policies and procedures may include verification standards that are stricter than HUD's.

Question: Our site is Section 8 PBRA layered with LIHTC. Does the \$100,000 threshold apply to LIHTC?

Answer: Section 42 regulations have not been updated about asset caps. When a site is layered, you must follow the most restrictive guidance; your site's Section 8 PBRA layer would be subject to the cap. Please consult your state housing finance agency for LIHTC guidance.

Question: Will TRACS 203A have a method of monitoring households whose assets have exceeded the \$100,000 asset cap so we can keep track of how far they are into their six-month period?

Answer: TRACS 203A updates are still in the works. For now, it will be your responsibility to track it.

Question: If a household's assets exceed \$50,000 in cash value, for which of those assets must we impute asset income?

Answer: Calculate imputed asset income for each asset that has an undeterminable amount of asset income (e.g.: homes, land, collections, recreational vehicles).

VI. Certifications, Leases, and Forms

Question: With the changes under HOTMA, sites will need new forms and leases. When will these be available?

Answer: At this point in time, the only form that has been updated for HOTMA is the HUD-50058 and the 9886 for PIH programs.

Question: If PHAs are beginning to work on certifications that are effective in 2024. Should they delay the process until HUD has provided us with updated forms?

Answer: No. Proceed with the interview process: acquire signatures on all forms and verification consent documents, obtain verification materials, and continue to process your certifications. Be compliant with as many HOTMA rules as possible (e.g. removing retirement savings accounts from certifications, excluding foster income, etc). You will not be able to manipulate other entries that require software assistance (e.g. the new Elderly/Disabled allowance, imputed asset thresholds).

Question: Is it true that the HUD Forms 9887 and 9886 will only need to be signed once after HOTMA is effective?

Answer: Yes, starting in 2024 with the new version of the forms, tenants will only be required to sign once per issuance of subsidy instead of annually.

Question: Will all tenants need to sign the new HOTMA-compliant lease, or is their original lease still valid?

Answer: All tenants will need to sign a HOTMA-compliant lease. Once the model leases have been finalized and released.

Question: Do PHAs still need to have a 9887 signed when a dependent turns 18 years old?

Answer: Yes.

Question: If a change triggers an IR under the new rules, must we continue to verify and incorporate ALL changes that have occurred since the last certification?

Answer: PHAs must still VERIFY all changes whenever an IR is executed. Only incorporate the changes that warrant an IR in the new certification. For example, if a household experiences a 10% increase in earned income AND a 10% increase in unearned income, verify both changes, but only adjust the unearned income source.

VII. Deductions

Question: Is there a cut-off on how many times a family can receive the 90-day hardship exemption for the childcare deduction?

Answer: There is no HUD-imposed limitation on how many times a family may benefit from this hardship exemption, but sites should address how they evaluate whether hardships exist in their written policies and procedures.

Question: Since the definition of the health and medical care deduction has expanded, would things like vitamins be deductible?

Answer: The new language states it includes any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. PHAs should consider verifying with a doctor that items like vitamins are necessary to mitigate, treat, or prevent a condition. If/when HUD addresses this specifically.

Question: Who qualifies to have their disability and health, and medical care expense threshold phased in to 10% over three years?

Answer: The phase-in is only for existing tenants who are currently receiving assistance and taking the deduction(s) under the current 3% threshold. It does not apply to new move-ins, or to households who are not benefiting from the deduction as of 6/31/2025

VIII. EIV

Question: How do the new rules impact the use of the Income Discrepancy Report in EIV?

Answer: HUD intends to update the discrepancy logic within EIV to conform to the requirements of the final rule. PHAs are still required to generate the reports but are not required to investigate discrepancies resulting from the Income Discrepancy Reports until HUD updates the discrepancy logic.

Question: Does HOTMA change how we should be running our master EIV reports?

Answer: Please see Notice H 2023-10 for revised guidance on EIV master reports.

Question: HOTMA indicates we do not need to run the EIV Income Report during IRs. Do PHAs still need to run it no later than 90 days after a household begins receiving subsidy through a MI or IC?

Answer: Yes. HOTMA only removes the obligation to run EIV during IRs – the other instances during which you would run the reports have not changed.

IX. General Questions

Question: How will HUD communicate new limitations, restrictions, and deduction amounts that are subject to annual inflationary adjustments?

Answer: They will be posted to HUDUser.gov by no later than September 1 of the year prior to their effective date.

Question: When does HOTMA go into effect?

Answer: Except for a few very specific provisions, HOTMA's changes will be effective January 1, 2024.

Question: So, when do I have to be prepared for HOTMA?

Answer: You should start now by absorbing information about HOTMA and getting your plan in place. HOTMA will be in effect beginning June 30, 2025. HUD has stated that any HOTMA-related errors noted during an audit found in 2025, will be noted as observations with corrective actions.

Question: What programs does HOTMA impact?

Answer: HOTMA impacts the following:

- Public Housing programs, including the Housing Choice Voucher (HCV) Program
- Moving to Work (MTW) Agencies
- Section 8 Project-Based Rental Assistance (PBRA) programs

- Rental Assistance Demonstration programs (RAD)
- Section 202/811 Project Rental Assistance Contracts (PRACs)
- Section 202/162 Project Assistance Contracts (PACs)
- Senior Preservation Rental Assistance Contracts (SPRACs)
- Section 811 Project Rental Assistance programs (PRAs)
- HOME Investment Partnerships programs
- Housing Trust Fund programs (HTF)
- Housing Opportunities for Persons with AIDS programs (HOPWA)
- Section 8 SRO Moderate Rehabilitation programs (Mod Rehab)
- Rural Housing Services
- The Low-Income Housing Tax Credit (LIHTC) program

**To the extent that the respective governing agency uses the Section 8 definition of income.*

Question: How does HOTMA impact LIHTC?

Answer: Since the LIHTC program borrows from HUD guidance, the IRS has confirmed that HOTMA will impact the LIHTC program. We anticipate that further guidance from the IRS in the coming months will provide some clarity to those impacts.

Question: So HOTMA's Final Rule is final...right?

Answer: Since the publication of the Final Rule, we have received additional guidance pertaining to implementation during this transition period. We anticipate further changes, guidance, and more in the coming months from HUD. As more information is released, we will be your partner in understanding how these changes impact your organization.

Question: How do we handle applicants on our waiting list who will be ineligible due to new asset restrictions?

Answer: PHAs must decide how to communicate the new asset restrictions to applicants on the waiting list. There is no option to grandfather in these applicants.

Question: Will HOTMA changes be included in the next revision of the HUD Handbook 4350.3?

Answer: For now, changes under HOTMA will be communicated through HUD and PIH Notices. The HUD Handbook 4350.3 will be undergoing extensive revision to incorporate all changes that have happened since 2013 – this will take some time.

Question: How should I begin incorporating HOTMA changes into my organization’s policies and procedures?

Answer: HUD has instructed PHAs to be “as compliant as possible”. If you’re writing new policies and procedures, be sure to include as many of the “crystal clear” pieces of guidance as you can, but keep in mind there will be some grey areas. For citation purposes, use Implementation Guidance, Notice H 2023-10.

Question: If we opt to delay termination of subsidy for six months for a household whose assets exceed the \$100,000 cap upon Annual Recertification, how much rent does that household pay during that time?

Answer: They continue to receive subsidy for the 6-month period.

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Question: If a household’s assets exceed \$50,000 in cash value, for which of those assets must we impute asset income?

Answer: Calculate imputed asset income for each asset that has an undeterminable amount of asset income (e.g.: homes, land, collections, recreational vehicles).

X. \$100,000 Asset Threshold/Disposed Assets

Question: What programs are subject to the \$100,000 asset cap?

Answer: The new rule is specific to HUD Section 8 PBRA and programs administered by PHAs. This includes Section 202/8 programs, and excludes PRAC programs.

Question: Are there restrictions on how a household may get rid of their assets more than **\$100,000 to qualify for subsidy?**

Answer: No, but keep in mind that applicants and tenants are still subject to the existing guidance regarding disposing assets for less than their fair market value.

Question: When a household has assets that exceed the \$100,000 threshold, can we allow them to self-certify that assets have dropped below \$100,000, or do we need to third-party verify?

Answer: PHAs should consider third-party verification to certify that a household's assets now total \$100,000 or less.

Question: If a tenant spends down their assets on something like an elaborate vacation, what documentation does the file need to verify it was spent?

Answer: HUD does not require verification of purchases made from assets. Your policies and procedures may include verification standards that are stricter than HUD's.

Question: Our site is Section 8 PBRA layered with LIHTC. Does the \$100,000 threshold apply to LIHTC?

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(a) Method of prorating assistance for Public Housing covered programs.