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Public Notice Housing Opportunity Through Modernization Act (HOTMA) Proposed Policy Changes to the Public Housing and Housing Choice Voucher Programs.

The Housing Opportunity Through Modernization Act (HOTMA) was signed into law on July 29, 2016 and made numerous changes to statutes governing the U.S. Department of Housing and Urban Development (HUD) programs. Some of the HOTMA provisions were implemented immediately. However, other parts of HOTMA required HUD to issue separate regulatory notices and guidance. The latest HUD regulations pertaining to HOTMA were published on February 14, 2023 and were originally scheduled to be implemented by housing authorities by January 1, 2025. The changes affect program eligibility and income & asset calculations and require housing authorities to adopt new policies.

The Board of Commissioners of the Housing Authority of the City of Elkhart (HACE) will conduct a public meeting at 4:00 p.m. on Tuesday, April 15, 2025, concerning revisions to the Admissions and Continued Occupancy Plan (ACOP) for the Public Housing Program and the Administrative Plan for the Housing Choice Voucher (HCV/Section 8) Program to include HOTMA policies.

- Members of the public are invited to attend this meeting at 1396 Benham Ave., Elkhart, IN 46516 during the public comment period which begins on March 31, 2025:

Alternatively, the public may submit written questions and comments concerning the proposed policy changes. Written questions and comments must be received by 12:00 p.m. on May 15, 2025 and may be submitted to Angelia.Washington@ehai.org Alternatively, written comments and questions, may be submitted to: The Housing Authority of City of Elkhart Attention: Angelia Washington, 1396 Benham Ave., Elkhart, IN 46516

The key changes under the February 14, 2023 HOTMA regulations include:

- Interim Reexamination Requirements: HUD regulations now specify when and under what circumstances an interim reexamination of family income must be conducted.
 - Streamlined Verifications: HUD is providing a new consent form, which only needs to be signed by adult family members once.
 - Increased Standard Deduction for Elderly/Disabled Households: HOTMA increases the standard deduction from \$400 to \$525.
 - Income Inclusions and Exclusions: The rule changes the definition of income and changes income inclusions and exclusions.
 - Income Calculation: HOTMA changes the method used to calculate annual income.
- The Housing Authority of the City of Elkhart Housing Opportunity Through Modernization Act (HOTMA) Proposed Policy Changes include the following: Streamlined Lease Assistance (SLA), Term-Limited Lease Assistance (TLA), Non-Elderly Disabled (NED), Rental Assistance Demonstration (RAD), and Project-Based Voucher (PBV) assistance.

- Threshold for Claiming Medical/Disability Expenses Increased: HOTMA increases the allowance for unreimbursed health and medical care expenses from 3% of annual income to 10% of annual income, phased in over two years.

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- Higher Threshold for Imputing Asset Income: The rule raises the imputed asset income threshold from \$5,000 to \$50,000.
- Hardship Relief: HOTMA provides hardship relief for changes to medical/disability and childcare expense deductions.
- Asset Limitation: HOTMA imposes a \$100,000 asset limit on families applying for assistance. Families are also ineligible for assistance if they own real property suitable for occupancy.
- Asset Exclusions: The rule excludes retirement and educational savings accounts from net family assets.
- Cross-Cutting Changes: The deductions and asset cap will be adjusted for inflation by HUD on an annual basis.

The HOTMA requirements do not affect all of HACE's programs in the same way. Therefore, the proposed HOTMA policy changes are summarized by program. Please note that this summary only includes items that EHA must adopt policies for. Items that housing authorities are required to implement according to the HOTMA regulations are not listed in this summary but will be published on HACE's website by June 17, 2025.

HACE offers language assistance free of charge. For assistance with this document, please contact our office at (574) 295-8392.

HACE ofrece asistencia idiomática gratis. Para ayuda con este documento, por favor llámenos at (574) 295-8392.

**Housing Authority of the City of Elkhart Housing Opportunity Through
Modernization Act (HOTMA) Proposed Policy Changes**

TOPIC
Self-Certification of net family assets equal to or less than \$50,000 (adjusted annually for inflation)
Policy Option
HACE 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 or reexamination. However, assets must be verified at least every three (3) years.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
HACE will verify assets at admission only. Self-certification will not be utilized.

TOPIC
Asset cap and homeownership limitation
Policy Option
HACE must enforce the asset cap of \$100,000 (adjusted annually) and homeownership limitation at admission but may choose to enforce the asset cap and homeownership limitation for participants.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
HACE will not enforce the asset cap and homeownership limitation for program participants. For applicants, the asset cap and homeownership limitation are enforced. The home will not be considered suitable for occupancy by the family if the family’s commute to work or school is more than 50 miles away from home.

TOPIC
De minimis errors in income determination
Policy Option
HACE must determine how we will repay or credit a family if a family is overcharged due to an income calculation error.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
HACE will provide Housing Assistance Payments (HAP) credit on behalf of the family.

TOPIC
General relief hardship exemptions for Health/Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses
Policy Option
HACE 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.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
Extensions will not be provided except when necessary, as a reasonable accommodation for a person with a disability.

TOPIC
General relief hardship exemptions for Health/Medical Care Expenses and Reasonable Attendant Care and Auxiliary Apparatus Expenses
Policy Option
HACE must develop a written policy defining what constitutes a hardship for the purposes of the general relief hardship exemption for health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
To qualify for a general financial hardship, the family must demonstrate that their applicable expenses increased, or the hardship is a result of a change in circumstances that would not otherwise trigger an interim exam and such circumstances occurred within 60 days of the request. Change of circumstance is defined as follows: <ul style="list-style-type: none"> • The family would be evicted because it is unable to pay the rent or tenant provided utilities. • A death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

TOPIC
Hardship exemption to continue childcare expense deduction
Policy Option
HACE must develop written policies to define what constitutes a hardship, which include the family's inability to pay rent, for the purposes of the child expense hardship exemption.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
To qualify for the hardship exemption: 1. The family must certify that there is still a need for childcare; and 2. The family's monthly income after deducting the child care expense would be less than twice the tenant rent amount without the child care deduction.

TOPIC
Hardship exemption to continue childcare expense deduction
Policy Option
HACE 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.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
Extensions will not be provided except, when necessary, as a reasonable accommodation for a person with a disability

TOPIC
Additional (Permissive) Deductions
Policy Option
HACE may choose to adopt additional permissive deductions from annual income.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
HACE will not be adopting additional permissive deductions.

TOPIC
Revocation of Consent Form (Form HUD-9886-A)
Policy Option
HACE may establish a policy that revocation of consent will result in termination or denial of assistance.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
If family revokes consent, the family will receive pre-termination notice and will have 10 days to submit new HUD 9886-A.

TOPIC
Interim Reexaminations – Decreases in Adjusted Income
Policy Option
HACE may decline to conduct an interim reexamination of family income if HACE 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 HACE.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
HACE will process an interim for all income decreases.

TOPIC
Interim Reexaminations – Housing authorities must conduct an interim reexamination when the family’s annual adjusted income has changed as a result of an increase of 10% or more in annual adjusted income due to increased unearned income.
Policy Option
HACE may choose not to conduct an interim reexamination if a family reports an increase in income within three months of their next annual examination effective date and HACE may choose not to 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 since the last recertification.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
HACE will not process an interim reexamination due to an increase in annual adjusted income.

TOPIC
Interim Reexaminations – Reporting of changes
Policy Option
HACE must establish when and under what conditions families must report changes in household composition and adjusted income.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
Participants are required to report changes in household composition and adjusted income within 10 business days.

TOPIC
Interim Reexaminations – Effective date of changes
Policy Option
HACE must establish policies to describe the conditions under which the effective date of an interim reexamination will be applied retroactively.
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
A decrease in the tenant rent portion will be effective the first of the month following the date that the change occurred, if the change was reported timely.

TOPIC
Determination of family income using other means-tested public assistance
Policy Option
HACE may choose to establish a policy for accepting income determinations made under means-tested forms of Federal public assistance, such as Temporary Assistance for Need Families or Low-Income Housing Tax Credit program (Safe Harbor).
PROGRAM & PROPOSED POLICY
Public Housing/ Housing Voucher Choice Voucher /Family Self-Sufficiency / PBV
HACE will not adopt Safe Harbor policies.