

HOTMA Matrix - PHFA Policies

	LIHTC	HOME	Housing Trust Fund	Notes
Implementation Date	To be determined			<i>The effective date for HOTMA implementation is to be determined, pending updates by major software vendors. Please check back frequently for updates.</i>
INCOME				
Revised definition of INCOME per §24 CFR 5.609(a); 5.603; 5.100	YES	YES	YES	HUD is revising the definition of annual income in § 5.609(a) for clarity. In paragraph (a)(1), HUD relies on the definition of excluded income under § 5.609(b) to provide the scope of what is included in income. https://www.federalregister.gov/d/2023-01617/p-44 https://www.federalregister.gov/d/2023-01617/p-21 https://www.federalregister.gov/d/2023-01617/p-22
Revised INCOME EXCLUSIONS §24 CFR 5.609(b)(3)	YES	YES	YES	Income and Income Exclusions Resource Sheet (hudexchange.info)
Unsecured and Unverifiable Income	Do Not Count	Do Not Count	Do Not Count	PHFA policy for LIHTC, HOME and HTF units excludes unsecured and unverifiable income that is not imminent, known, and verifiable.
Income: Use Average in range (<u>not highest</u>)	YES	YES	YES	Average will be used for TBRA and PBRA assisted units. To provide consistency in the rules applied at a property the average will be used for TBRA and PBRA assisted units as well as for unassisted units.

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Income: Year-to-Date (YTD) as an eligibility determiner	NO	NO	NO	PHFA does not require an Owner/Agent (O/A) to utilize year-to-date (YTD) as an eligibility determiner. The O/A may consider evaluating the household's YTD income to determine if a substantial difference exists between calculation methods. However, YTD income calculations should not be the sole eligibility determiner because it may not be indicative of anticipated income for the next 12 months. If a household's rent is based on their income, do not utilize the YTD calculation method.
Income: Two (2) months source documentation for verification of income at move-in and at 6-year full recertification	NO	YES	YES	HOME and HTF require two (2) months source documentation for verification of income at move-in and at every 6-year full recertification, except for TBRA and PBRA units. For units with TBRA and PBRA, no 6-year recertification is needed since the PHA / Administrator income determination is used.
Employment Income Verification Two (2) Paystubs	NO	NO	NO	LIHTC requires the most recent 4-6 consecutive pay stubs, per the 4350.3 Chapter 5. HOME and HTF require two (2) months source documentation for verification of income at move-in and at every 6-year full recertification, except for TBRA and PBRA units. For units with TBRA and PBRA, no 6-year recertification is needed since the PHA / Administrator income determination is used.
Income: Use anticipated income for <u>MOVE-INS</u> (upcoming 12 months)	YES	YES	YES	HOME and HTF require two (2) months source documentation unless the unit has TBRA or PBRA, in which the PHA/Administrator's income determination is utilized.

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Income: Use anticipated income at <u>RECERTIFICATION</u>	YES	YES	YES	HOTMA requires that income determinations for annual certifications be based on the previous 12 months. Additionally, HOTMA takes into consideration that changes made through interim certifications in the previous year may initiate tenant challenges which would then require the Owner/Agent to utilize the anticipated income. In response the Agency has concluded that anticipating income for all certifications will best meet the goals of the LIHTC program.
Child Support/ Alimony	YES	YES	YES	The income received from child support or alimony must be based upon payments received by the household, not the court ordered amount.
Exclude Income from Foster Adults and Foster Children per 24 CFR § 5.609(b)(8)	YES	YES	YES	Income of foster children or foster adults* is excluded from the family's calculation of annual income. In addition, payments received for the care of foster children and foster adults are excluded as income. Please note foster children and foster adults are counted to determine unit size. *Subject to change per IRS guidance.
Use of "Means-Tested" Income	NO	NO	NO	LIHTC, HOME, and HTF do not permit the use of "Means-Tested" income.
HUD's Hierarchy of Verification	YES	YES	YES	Refer to HUD's Hierarchy of Verification listed on page 106 of HUD's 2023-10 Notice . Please note the Work Number is listed as an acceptable source of income verification.
PBRA (PHA/Administrator) income determination required	YES	YES	YES	When using a PHA or other administrators' determination of income, the Owner/Agent must obtain a completed PHA Income Determination Certification, which states the household size and annual gross income.
TBRA (PHA/Administrator) income determination required	YES	YES	YES	When using a PHA or other administrators' determination of income, the Owner/Agent must obtain a completed PHA Income Determination Certification, which states the household size and annual gross income.

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De Minimis Errors	NO	NO	NO	The “De Minimis Errors” calculation method is not permissible for LIHTC, HOME or HTF (subject to change per IRS guidance).
Earned Income Disregard (EID)	N/A	24 months to phase out residents utilizing EID.	N/A	EID is available only to families that are participating in the program as of 1/1/24. They may continue to receive EID benefits until the allowable timeframe expires. All EID benefits expire as of December 31, 2025.

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ASSETS				
Revised ASSET EXCLUSIONS per §24 CFR 5.603 (3)	YES	YES	YES	Asset Exclusions and Limitation on Assets Resource Sheet.pdf (hudexchange.info) HUD's 2023-10 Notice mentions 24 CFR 5.609(b). See Attachment F.
Checking Account	YES	YES	YES	Utilize the current balance for checking accounts. The six-months average is no longer used. HOME and HTF require two (2) months source documentation for verification of income at move-in and at every 6-year full recertification, except for TBRA and PBRA units.
Imputed Asset Threshold §24 CFR 5.609(a)	YES	YES	YES	Through HOTMA, HUD raised the imputed asset threshold from \$5,000 to \$50,000 which will be adjusted annually for inflation. Asset income is imputed only for those assets where the actual income cannot be computed. Changes are also reflected on the updated TIC and Under \$50,000 Asset Self-Certification form. https://www.federalregister.gov/d/2023-01617/p-46 HOTMA Talking Points Multifamily Programs.pdf (hud.gov)
Under \$50,000 Asset Self-Certification per § 24 CFR §§ 5.603; 5.609; 5.618; 5.659; 891.105; and 891.415(a)(2) at <u>RECERTIFICATION</u>	YES	YES	YES	When the combined value of all net family assets has a total value of \$50,000 or less, the family must include, on its self-certification that the net family assets do not exceed \$50,000, the amount of actual income the family expects to receive from such assets, and that this amount is to be included in the family's income. (See, § 5.618(b)). HOME and HTF require two (2) months source documentation for verification of income at move-in and at every 6-year full recertification, except for TBRA and PBRA units, in which the PHA / Administrator income determination is utilized. https://www.federalregister.gov/d/2023-01617/p-268

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Passbook Rate per 24 CFR § 5.609(a)(2)	YES	YES	YES	Passbook Rate of 0.40% effective January 1, 2024; updated annually by HUD.
NOTED Asset Exclusions	YES	YES	YES	Federal tax refunds or refundable tax credits are excluded from net family assets for a period of 12 months after receipt by the family. The amount of the refund must be deducted from the cash value of the asset.
Restrictions on eligibility for households with Real Estate or assets over \$100,000 §24 CFR 5.618(a)(ii)	N/A	N/A	N/A	https://www.federalregister.gov/d/2023-01617/p-74
OTHER				
Annual Self-Certifications of Income allowed after move-in (year one)	SEE NOTES	YES, except every sixth year	YES, except every sixth year	<p>The Agency does NOT require full recertifications after initial move-in, however program regulations apply.</p> <p>LIHTC: Permitted except on projects with market rate units. For projects with market rate units, a full recertification with source documentation is required every year for all households.</p> <p>HOME and HTF: Permitted after move-in except for the 6-year recertifications which require two (2) months of source documentation, unless the unit has TBRA or PBRA. Agents must obtain a completed PHA Income Determination for TBRA and PBRA units.</p>
Agency will provide required TIC	YES	YES	YES	Pending release from NCSHA.

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General Release Form	YES	YES	YES	Each household member aged 18 and older are required to sign a General Release Form which remains effective over the duration of their tenancy.
Self-Certification of Social Security number	YES	YES	YES	Applicants/ residents are permitted to self-certify their social security number after the PHA/MFH Owner has attempted to first obtain a valid SSN card issued by the SSA or an original document issued by a federal or state government agency that contains the name and SSN of the individual, accompanied with acceptable identifying information.