Multifamily Housing Programs
List of Discretionary Policies to Implement HOTMA

This chart is intended to make MFH Owners aware of the policies they must set in their respective Tenant Selection Plans (TSPs) and EIV policies and procedures by March 31, 2024.

Note: MFH Owners must continue to follow their existing Tenant Selection Plans and EIV Policies &Procedures until MFH Owner's software is compliant with TRACS 203A

HOTMA Provision and Corresponding Regulation	Required HOTMA Policy	Owner's Discretionary Policies[1]	Pinellas County Housing Authority Policies with Implementation Date of 1/1/2025
De Minimis Errors in Income Determinations (24 CFR §§ 5.609(c)(4); 5.657(f); 891.105; 891.410(g); and 891.610(g)) Reference: Notice H 2023-10 / Attachment B	• MFH Owners 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. • MFH Owners may not implement policies to require families to repay in instances resulting in a family being undercharged for rent where the MFH Owner miscalculated the family's income.	• MFH Owners must include in their TSPs 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 MFH Owner's de minimis error in income determination.	• The PCHA will repay any 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 PCHA's de minimis error in income determination.

[1] All discretionary policies must be clearly stated in an owner's Tenant Selection Plan and EIV policies and procedures. Additionally, all discretionary policies must be applied equally to each family pursuant to 24 CFR § 5.105(a).

Asset Limitation for New Admissions (24 CFR § 5.618) Section 8 and 202/8 programs only. Reference: Notice H 2023-10 / Attachment A	• MFH Owners must deny admission of an applicant family for the following: 1. Net family assets that exceed $100,000 (adjusted annually for inflation); and/or 2. The family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell the real 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. • MFH Owners must include this admissions policy in their TSP.	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.

Asset Limitation at Annual and Interim Reexaminations (24 CFR § 5.618) Section 8 and 202/8 programs only. Reference: Notice H 2023-10 / Attachment A		MFH Owners have the following policy options at annual and interim reexaminations: **1.** Total Enforcement • MFH Owners may choose to fully enforce the asset limitation exactly as written in the statute2 (i.e., the real property requirement and the $100,000 net family assets requirement). Nothing in paragraphs (4), (5), or (6) of Section 104 of HOTMA compels MFH Owners to exercise the discretion provided by the statute. **2.**Total Non-Enforcement •MFH Owners may choose to establish a written policy to not enforce the asset limitation for all families at annual and interim reexamination. **3.**Limited Enforcement •MFH Owners may choose to establish a written policy to not enforce the asset limitation for all families, for up to six months after the effective date of a family's annual or interim reexamination. Families are given the opportunity to cure noncompliance with the asset limitation during this period. •Limited non-enforcement policies must address the timeframe for curing non-compliance (e.g., MFH Owners may choose to adopt policies to allow any number of months, up to six months, to cure noncompliance with the asset limitation). • MFH Owners who establish limited enforcement policies may not delay initiation of termination of assistance beyond six months after the effective date of the annual or interim reexamination. **4.** Exception Policies • MFH Owners may establish in written policy exceptions to the asset limitation based on family type and may take into consideration such factors as age, disability, income, the ability of the family to find suitable alternative housing, and whether supportive services are being provided. • MFH Owners may establish total non- enforcement for excepted families, or they may establish limited enforcement for excepted families to give those families the opportunity to cure noncompliance with the asset limitation for a period up to six months.	• The PCHA must enforce the asset limitation at initial certification for families who lost their assistance because they failed to recertify timely or began to pay market rent, remained in the unit, and then lost income, once again requiring assistance. The PCHA will enforce the asset limitation at reexamination (annual or interim). The PCHA will notify the family of non-compliance within 30 days of the income examination that determined the family was out of compliance. The notice will inform the family that their assistance will be terminated, or eviction proceedings will begin at the end of the six-month period following the income examination that determined the family was out of compliance. The notice will also advise families who are not compliant with the asset limitation that they must either pay the market rent for the unit or vacate the unit after termination of assistance.

		• Exception policies <u>must</u> conform with applicable fair housing statues and regulations. • Exception policies must describe the families who are excepted, <u>and</u> the policies must describe whether excepted families are subject to total nonenforcement or limited nonenforcement of the asset limitation. If excepted families are subject to limited nonenforcement, then the exception policy must address the timeframe for curing non- compliance (e.g., MFH Owners may choose to adopt policies to allow any number of months, up to six months, to cure noncompliance with the asset limitation). • MFH Owners who establish exception policies with a limited enforcement period may not delay initiation of termination of assistance beyond six months after the effective date of the annual or interim reexamination. Note: MFH Owners may establish <u>both</u> limited non-enforcement and exception policies. The above discretion is <u>not</u> applicable to eligibility determinations for new admissions or initial certifications (IC) of assistance. MFH Owners must include their asset limitation policy at annual and interim reexamination in their TSP.	

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; 5.659; 891.105; and 891.415(a)(2)) Reference: Notice H 2023-10 / Attachment F; Appendix: Sample Net Family Assets Self-Certification Form	• MFH Owners 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).	• MFH Owners 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, MFH Owners 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 participants/tenants who are later found to be ineligible for assistance. • MFH Owners 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 (5.659(e)) • MFH Owners who choose not to accept self-certification must verify net family assets every year. • MFH Owners must include in their TSPs 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/or at reexamination.	• For families with net assets totaling $50,000 or less, the PCHA will not accept the family's self-certification of the value of family assets and anticipated asset income. Any income the family expects to receive from assets will be included in the family's annual income. The family will be required to provide third-party verification of net family assets at the time of initial program eligibility and thereafter annually. In determining the value of checking or savings accounts, the PCHA will use the current balance as reflected on the most recent bank statement. In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, the PCHA will multiply the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.

Hardship Exemptions for Health/Medical Care Expenses & Reasonable Attendant Care & Auxiliary Apparatus Expenses – <u>General</u> <u>Relief</u> (24 CFR § 5.611(c)(2)) Reference: Notice H 2023-10 / Attachment C	• MFH Owners must provide hardship relief to a family that demonstrates its eligible health and medical care expenses, or reasonable attendant care and auxiliary apparatus expenses exceed 5 percent of the family's annual income. • An increase in health and medical care, reasonable attendant care, and auxiliary apparatus expenses constitutes a qualifying eligibility factor under 24 CFR 5.611(c)(2)(i), so long as it exceeds 5% of the family's annual income (24 CFR 5.611(c)(2)(ii)). • To meet the requirements for the health and medical care expense hardship exemption, the family must have expenses that meet the definition of health and medical care expenses as provided by 24 CFR 5.603(b). • To meet the requirements for the reasonable attendant care and auxiliary apparatus expenses hardship exemption, the family must have expenses that meet the definition of reasonable attendant care and auxiliary apparatus expenses at 24 CFR 5.603(b).	• Generally, MFH Owners must develop written policies in their TSPs defining what changes in circumstances are required for the family to be eligible for the health and medical care expenses and reasonable attendant care & auxiliary apparatus general hardship exemption, that would not otherwise trigger an interim reexamination. • MFH Owners may, pursuant to their own discretionary policies, extend the hardship relief for one or more 90- day intervals, while the family's hardship condition exists. • MFH Owners must state in their TSP whether extensions of the 90-day hardship period are allowable, and the maximum number of 90-day extensions (if establishing a maximum policy) families may receive. ***Note*** : MFH Owners are not limited by HUD to a maximum number of 90-day extensions. • MFH Owners must obtain third-party verification of the hardship or must document in the file the reason that third-party verification was not available. MFH Owners must attempt to obtain third-party verification prior to the end of the 90-day hardship period.	• To qualify for a hardship exemption, a family must submit a request in writing. The request must show that the family's health and medical and/or disability assistance expenses have increased (other than the transition to the higher threshold) and that the family's financial hardship is a result of a change in circumstances. The PCHA defines a change in circumstances as a decrease in income or increase in other expenses that has resulted in the family's financial hardship but does not, on its own, trigger an interim recert in accordance with PCHA policies. Examples of circumstances constituting a financial hardship may include the following situations: The family is awaiting an eligibility determination for a federal, state, or local assistance program, such as a determination for unemployment compensation or disability benefits; The family's income decreased because of a loss of employment, death of a family member, or due to a natural or federal/state declared disaster; or Other circumstances as determined by the PCHA. The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PCHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period. The PCHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.
Hardship Exemptions for Health/Medical Care Expenses & Reasonable Attendant Care & Auxiliary Apparatus Expenses – <u>Phased-In Relief</u> (24 CFR § 5.611(c)(1)) Reference: Notice H 2023-10 / Attachment C	• 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 MFH Owner complies with HOTMA. • Families who receive phased-in relief will have eligible expenses deducted as follows: o 1st twelve months – in excess of 5% of annual income. o <u>2nd twelve months –</u> in excess of 7.5%. of annual income. o <u>After 24 months</u> – in excess of 10% threshold will phase in and remain in effect unless the family qualifies for General Relief. • Once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.	• MFH Owners may continue the phased-in relief for a new admission who was receiving the phased-in relief at their prior assisted housing at the time that the family is admitted to their current unit. This discretion should be stated in the TSP. o For example, a family is admitted to a new MFH property, but they would have still been receiving the 24-month phased-in hardship exemption had they continued to reside in their previous unit at a different MFH property. MFH Owners may establish a policy to continue the phased-in hardship exemption for the family's remaining months in the 24-month phase-in period.	• The PCHA will implement the phased-in relief as outlined in column 1. The PCHA will not continue the phased-in relief for families who move and are treated as a new admission at the property. These families will be treated as new admissions and the sum of expenses that exceeds 10 percent of annual income will be used to calculate their adjusted income.

Hardship Exemption to Continue Child Care Expense Hardship (24 CFR § 5.611(d)) Reference: Notice H 2023-10 / Attachment C	• MFH Owners 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. • MFH Owners must include this policy in their TSPs. • MFH Owners 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. MFH Owners must attempt to obtain third-party verification prior to the end of the 90-day period.	• MFH Owners may, pursuant to their own discretionary policies, extend the hardship relief for one or more additional 90-day periods while the family's hardship condition continues. • MFH Owners must include in their TSPs 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. ***Note:*** MFH Owners are not limited by HUD to a maximum number of 90-day extensions	• For a family to qualify, they must demonstrate that their inability to pay rent would be as a result of the loss of this deduction. The PCHA defines this hardship as a loss of employment, a potential decrease in income (e.g. child support, social security benefits), or increase in other expenses that would result from the loss of the child care expense and such loss would impact the family's ability to pay their rent. Some factors to consider when determining if the family is unable to pay rent may include determining that the rent, utility payment, and applicable expenses (child care expenses or health and medical expenses) are more than 40 percent of the family's adjusted income, or verifying whether the family has experienced unanticipated expenses, such as large medical bills, that have affected their ability to pay their rent. The family must also demonstrate that the child care expense is still necessary even though the family member is no longer employed or furthering their education. The PCHA will consider qualification under this criterion on a case-by case basis (for example, if the family member who was employed has left their job in order to provide uncompensated care to an elderly friend or family member who is severely ill and lives across town). The family must provide third-party verification of the hardship with the request. If third-party verification is not available, the PCHA will document the file with the reason and will attempt to obtain third-party verification prior to the end of the 90-day hardship exemption period. The PCHA will make a determination of whether the family qualifies within 30 calendar days and will notify the family in writing of the result within 10 business days of the determination.
Interim Reexaminations - Decreases in Adjusted Income (24 CFR §§ 5.657(c)(2); 891.105; 891.410(g); and 891.610(g) Reference: Notice H 2023-10 / Attachment I	• MFH Owners are required by HUD to process interim reexaminations for *all* decreases in adjusted income when a family member permanently moves out of the unit. • MFH Owners **<u>are not permitted</u>** to establish a dollar figure threshold amount instead of a percentage threshold less than ten percent.	• MFH Owners may decline to conduct an interim reexamination of family income if the MFH Owner 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 MFH Owner. • MFH Owners must identify in their TSPs the percentage threshold they will use for conducting interim reexamination for decreases in a family's adjusted income. • MFH Owners 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%).	• The PCHA will only conduct an interim when the family's adjusted income has decreased by an amount that is 10 percent or more of the family's adjusted income. When determining the 10 percent threshold, the PCHA will round calculated percentages up or down to the next nearest unit as applicable (e.g., a calculated decrease of 9.5 percent will be rounded to 10 percent). However, the PCHA will perform an interim recertification for a decrease in adjusted income of any amount in two circumstances: •When there is a decrease in family size attributed to the death of a family member; or •When a family member permanently moves out of the assisted unit during the period since the family's last recertification.

Interim Reexaminations - Increases in Adjusted Income (24 CFR §§ 5.657(c)(3); 891.105; **891.410(g)(2); and 891.610(g)(2)** Reference: Notice H 2023-10 / Attachment I	• MFH Owners 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 MFH Owners may not consider any increases in *earned* 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. • MFH Owners **<u>may not</u>** establish a different threshold to conduct interim reexaminations for increases in adjusted income.	• MFH Owners 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. • MFH Owners may choose not to include *earned* income increases in determining whether the ten percent 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. • MFH Owners must describe these policies in their TSPs.	• When a family reports an increase in their earned income between annual recertifications, the PCHA will not conduct an interim recertification, regardless of the amount of the increase, and regardless of whether there was a previous decrease since the family's last annual recertification. The PCHA will process an interim recertification for any increases in unearned income of 10 percent or more in adjusted income. The PCHA will not perform an interim recertification when a family reports an increase in income (whether earned or unearned income) within three months of their annual recertification effective date. However, families who delay reporting income increases until the last three months of their certification period may be subject to retroactive rent increases. A series of smaller reported increases in adjusted income may cumulatively meet or exceed the 10 percent increase threshold, at which point the PCHA must conduct an interim recertification in accordance with PCHA policy.
Interim Reexaminations - Reporting Changes & Effective Date (24 CFR §§ 5.657(c)(4); 891.410(g)(2); and 891.610(g)(2) Reference: Notice H 2023-10 / Attachment I	• Families must report household composition changes and changes to adjusted income consistent with HOTMA's requirements; however, MFH Owners determine the timeframe in which reporting must occur to be considered "timely." • If the MFH Owner has adopted a retroactive rent decrease policy, it may not be applied prior to the later of: o The 1st of the month following the date of the actual decrease in income; or o The 1st of the month following the most recent previous income examination.	• MFH Owners 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. • MFH Owners 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. • MFH Owners may adopt a policy to apply rent decreases retroactively and establish additional criteria to describe the conditions under which retroactive decreases will be applied. • MFH Owners must describe these policies in their TSPs.	• The family will be required to report all changes in income regardless of the amount of the change, whether the change is to earned or unearned income, or if the change occurred during the last three months of the certification period. Families must report changes in income within 10 business days of the date the change takes effect. The family may notify the PCHA either electronically on the PCHA website or in writing. Within 10 business days of the family reporting the change, the PCHA will determine whether the change will require an interim recertification. If the change will not result in an interim recertification, the PCHA will note the information in the tenant file but will not conduct an interim recertification. The PCHA will send the family a written and/or electronic notification within 10 business days of making this determination informing the family that the PCHA will not conduct an interim recertification. If the change will result in an interim recertification, the PCHA will determine the documentation the family will be required to submit based on the type of change reported. The PCHA will ask the family to report changes in all aspects of adjusted income at this time. The family must submit any required information or documents within 10 business days of receiving a request from the PCHA. This time frame may be extended for good cause with PCHA approval. The PCHA will accept required documentation by mail, email, fax, the PCHA website, or in person. The PCHA will conduct the interim within a reasonable time period based on the amount of time it takes to verify the information.

	Note: MFH Owners must clearly communicate to the family how a retroactive adjustment will affect the family's responsibility for rent.		***Changes Reported Timely:*** If the family reports a change in family income or composition timely in accordance with PCHA policies: •For rent increases, the PCHA must provide the family with 30 days advance written notice. The rent increase is effective the first of the month after the end of that 30-day notice period. •Rent decreases are effective on the first of the month after the date of the actual change leading to the interim recertification of family income. This means the decrease will be applied retroactively. ***Changes Not Reported Timely*** **:** If the family failed to report a change in family income or composition timely in accordance with PCHA policies: •For rent increases, the PCHA must implement any resulting rent increases retroactively to the first of the month following the date of the change leading to the interim recertification of family income. •For rent decreases, the PCHA must implement the change no later than the first rent period following completion of the interim recertification.
Revocation of Consent Form (Form HUD-9887)[2] (24 CFR §§ 5.230(c)(5)(iii); 24 CFR 5.232(c)); 891.105; 891.410(g)(3)(ii); and 891.610(g)(3)(ii) Reference: Notice H 2023-10 / Attachment J	• 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 MFH Owner to revoke consent. • Families have the right to revoke consent by notice to the MFH Owner; however, revoking consent can result in termination or denial of assistance if the MFH Owner has established an admission and occupancy policy that the revocation of consent will result in termination of assistance or denial of admission. • MFH Owners 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). • MFH Owners must explain to families the consequences, if any, of revoking their consent. • MFH Owners **must** notify their local HUD office when an applicant or participant family member revokes their consent. ***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.	• MFH Owners may establish in written policy that revocation of consent will result in termination of assistance or denial of admission. • When MFH Owners 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 scheduled reexamination or interim reexamination, whichever occurs first. • MFH Owners 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. • MFH Owners must describe these policies in their TSPs.	• The PCHA has established a policy that revocation of consent to access financial records will result in denial of admission or termination of assistance in accordance with PCHA policy. In order for a family to revoke their consent, the family must provide written notice to the PCHA. Within 10 business days of the date the family provides written notice, the PCHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial or termination of assistance, as applicable. At the same time, the PCHA will notify their local HUD office.

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

Determination of Family Income Using Other Means Tested Public Assistance, i.e., "Safe Harbor" (24 CFR §§ 5.609(c)(3); 891.105; 891.410(b)-(c) and (g); and 891.610(b)-(c) and (g) Reference: Notice H 2023-10 / Attachment J	• MFH Owners 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: o The Temporary Assistance for Needy Families block grant (42 U.S.C. 601, et seq.). o Medicaid (42 U.S.C. 1396 et seq.). o The Supplemental Nutrition Assistance Program (42 U.S.C. 2011 et seq.). o The Earned Income Tax Credit (26 U.S.C. 32). o The Low-Income Housing Tax Credit (26 U.S.C. 42). o The Special Supplemental Nutrition for Woman, Infants, and Children (42 U.S.C. 1786). o Other programs administered by the Secretary. o Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding. o 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. • MFH Owners 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. • Safe Harbor verification must not be mixed and matched with other income verifications, including other Safe Harbor income determinations.	• MFH Owners that choose to implement Safe Harbor income determinations must: o 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 o Create policies that outline the course of action when families present multiple verifications from the same or different acceptable Safe Harbor programs (e.g., MFH Owners could establish policies to accept the most recent income determination). • MFH Owners must describe these policies in their TSPs.	• The PCHA will not accept verification from other federal assistance programs. All income will be verified in accordance with the requirements of HUD's verification hierarchy and PCHA policies in this chapter.

Enterprise Income Verification (EIV) Usage (24 CFR § 5.233) Reference: Notice H 2023-10 / Attachment J	• MFH Owners must use HUD's EIV system in its entirety, in accordance with 24 CFR 5.233. • MFH Owners 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, etc.) under HOTMA.	• MFH Owners are not required to use EIV during interim reexaminations. • MFH Owners who adopt policies to not include *earned* income increases in determining whether the ten percent 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. • MFH Owners who have a policy to consider *earned* income increases in calculating whether the ten percent 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 **<u>after</u>** the interim reexamination to decrease rent occurs. • MFH Owners are not required to use the EIV Income Report or New Hires Report at annual reexamination if they use Safe Harbor verification to determine the family's income. • MFH Owners are not required to use the EIV Income Discrepancy Report at annual reexamination if they used Safe Harbor verification to determine the family's income at the last reexamination. • MFH Owners must describe these policies in their EIV policies and procedures.	• The PCHA will use HUD's EIV system in its entirety, in accordance with 24 CFR 5.233. The PCHA has updated their EIV Policies and Procedures to reflect their discretionary use of EIV reports (e.g., Income Report, zero income reports, New Hires Report, etc.) under HOTMA.
Income Definitions (24 CFR § 5.609(a); 5.609 (b)(9)) Reference: Notice H 2023-10 / Attachment F	Income is now defined broadly with an expanded and clarified list on income exclusion (24 CFR 5.609 (b)). Annual income includes all amounts received from all sources by each adult family member 18 years or older or the head of household or their spouses, plus unearned income by or on behalf of each dependent under 18 years, plus income from assets. Certain financial aid for both full and part time students are excluded from income (24 CFR 5.609 (b)(9)).	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.
Exclusion from Income (24 CFR § 5.609 (b)) Reference: Notice H 2023-10 / Attachment G	There are new exclusions from income outlined in 24 CFR § 5.609 (b).	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.

Student Financial Assistance (24 CFR § 5.609 (b)(9)) Reference: Notice H 2023-10 / Attachment G	There are now two categories of student financial aid. The first category, is any assistance that section 479B of the Higher Education Act of 1965 (Title IV HEA Assistance), as amended, requires to be excluded from a family's income. The second category is any other grant-in -aid, scholarship, or other assistance amounts an individual receives for the actual covered cost charged by the institute of higher education. The treatment of student financial assistance depends on HUD program, student/household characteristics, and the type of financial assistance received by the student. The student financial assistance rules apply to both full-time and part-time students.	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.
Income from Assets (24 CFR § 5.609(a))	Income from assets is considered income. If it is possible to calculate actual returns from an asset, the MFH Owner should use that amount. If it is not possible to calculate an actual return from an asset, the MFH Owner must impute income from assets based on the current passbook savings rate as determined by HUD when the family has net assets over $50,000 (adjusted annually for inflation).	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.
Exclusion from Assets (24 CFR § 5.603(b)(3)) Reference: Notice H 2023-10 / Attachment F	There are new exclusions from assets, including related to necessary items of personal property, non-necessary items of personal property when the total value does not exceed $50,000 (adjusted annually for inflation), and real property that the family does not have the legal authority to sell.	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.
Calculation of Income (24 CFR § 5.609(c)) Reference: Notice H 2023-10 / Attachment B	For initial occupancy/assistance and interim reexaminations, the MFH Owner must estimate the family income for the upcoming 12-month period using current income. For all annual reexaminations, the MFH Owner must determine the family income for the previous 12-months unless using a streamlined income determination, taking into account any redetermination from an interim reexamination and any unaccounted for income changes. ***Note:*** MFH Owners must obtain at least two current and consecutive paystubs and A minimum of one statement that reflects the current balance of banking/financial accounts.	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.

Elimination of the Earned Income Disregard (24 CFR § 5.611) Reference: Notice H 2023-10 / Attachment G	The Earned Income Disregard (EID) will not apply to any family who is not eligible for and already participating in the disallowance as of December 31, 2023. Families receiving the benefit as of December 31, 2023 may continue to receive the full benefit until the remaining timeframe for an individual family's EID expires. Because the EID Last up to 24 consecutive months. no family will still be receiving the EID benefit after December 31, 2025.	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.
Mandatory Deductions (24 CFR § 5.611(a)(1) - (a)(2)) Reference: Notice H 2023-10 / Attachment C	1. Dependent Deduction - The dependent deduction amount is $480. This amount will be adjusted annually for inflation. 2. Elderly/Disabled Family Deduction - The elderly/disabled deduction increases from $400 to $525. This amount will be adjusted annually for inflation. MFH Owners will apply the new deduction amount to a family's next annual or interim reexamination, whichever is sooner, following the date on which the MFH Owner implements HOTMA regulations.	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.
Health and Medical Expense Deduction (24 CFR § 5.611(a)(3)) Reference: Notice H 2023-10 / Attachment C	Increases the threshold for the deduction of unreimbursed health and medical care expenses plus unreimbursed reasonable attendant care and auxiliary apparatus expenses that enable employment from 3% to 10% of annual income.	No discretion.	Mandated regulation which will be updated in HUD Handbook 4350.3 REV-1, Occupancy Requirements of Subsidized Multifamily Housing Programs. ***Note:*** Handbook has not been updated by HUD by time of this notice.