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## Announcements

### Schedule:

- The webinar will run from 9:00 am until approximately 12 pm
- We will take a break mid-morning
- Staff will be present to answer any questions

### Housekeeping:

- Certificates **will not** be emailed but you will receive an email confirming your attendance, usually within 24-hours in an email from the GoTo Platform, please check your “junk” folders as we cannot reissue these emails
  - If you did not use your emailed link for the training from your registration you will not receive a follow-up email or show as having attended the webinar
- We suggest you silence your phones and put an “out of office” email response to help avoid distractions during the training
- Please pose questions and comments to the “Questions Box”



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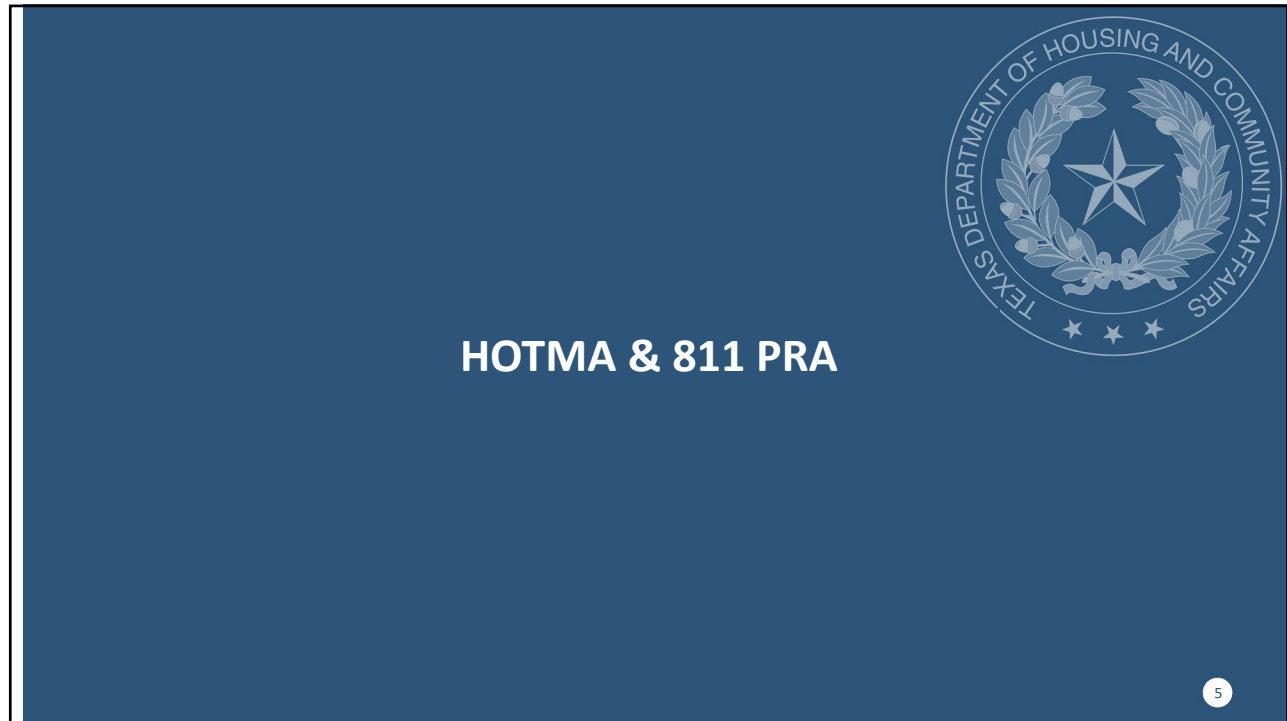
## Handouts

- This presentation
- HOTMA Final Rule
- Updated HUD Notice 2023-10
- HUD Notice 2025-03



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### Purpose of HOTMA

- Updating requirements
- Aligning housing programs
- Reduce administrative processes and reduce burdens, such as verification and documentation requirements

A light blue watermark of the Texas Department of Housing and Community Affairs seal is visible in the background of the slide. The seal features a five-pointed star surrounded by a wreath, with the text "TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS" and three stars below it. A small white circle with the number "6" is in the bottom right corner.

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## What Changes Apply to 811 PRA

- Asset Definition – 24 CFR §5.603
- Annual Income Definition -- §5.609(a)
- Annual Income Exclusions -- §5.609(b)
- Annual Income Calculations & Reexaminations -- §5.609(c)
- Adjusted Income Mandatory Deductions – §5.611(a)
- Adjusted Income Financial Hardship Exemptions -- §5.611(c)

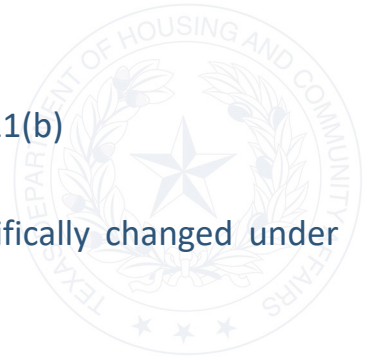


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## What Changes do not Apply to 811 PRA

- Adjusted Income Additional Deductions – 24 CFR §5.611(b)
- Asset Restriction -- §5.618
- Keep the past definitions and processes unless specifically changed under HOTMA



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## Learning Point 1

Which of the following HOTMA changes do not apply to 811 PRA?

- a) Annual Income Exclusions
- b) Asset Definition
- c) Asset Restriction
- d) Annual Income Calculations & Reexaminations

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## Some Things to Note about 811 and HOTMA

- Do not confuse 811 PRA with 811 PRAC (Discussing 811 PRA)
- Falls under the Office of Multifamily Housing
- Does not fall under Office of Community Planning and Development (like HOME)
- Does not fall under Public and Indian Housing (like Housing Choice Vouchers)

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## Learning Point 2

Which program are we talking about today?

- a) Section 811 Project Rental Assistance Program (811 PRA)
- b) Section 811 Project Rental Assistance Contract (811 PRAC)
- c) Love Island

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## HOTMA Going into Effect

### When does HOTMA go into effect?

- The Notice H-2025-03 issued on May 29, 2025 provided the most recent guidance
- As of today the scheduled effective date is January 1, 2026
- This notice was included with handouts

### What Happens Once HOTMA Goes into Effect

- Must updated HUD model lease HUD-92236-PRA
- Implement post-HOTMA written policies and procedures
- Must notify new applicants and current tenants of post-HOTMA changes, including changes in income, assets, deductions, and certifications
- Must execute updated Tenant Consent form (HUD-9887/9887-A)
- Must provide updated fact sheet and brochures

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### Learning Point 3

When is the current date HOTMA is anticipated to be effective for 811 PRA?

- a) January 1, 2024
- b) July 1, 2025
- c) January 1, 2026
- d) July 1, 2026



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### Learning Point 4

When did/does HOTMA go into effect for all other multifamily programs monitored by TDHCA?

- a) January 1, 2024
- b) July 1, 2025
- c) January 1, 2026
- d) July 1, 2026



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## Monitoring and HUD-92236-PRA's

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### How Will TDHCA Monitor HOTMA Changes for 811 PRA?

- Must comply with all HOTMA changes
- Must continue to comply with requirements not changed under HOTMA
- Keep in mind that HOTMA requires Owners to notify and explain these changes to applicants and tenants

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## Executing New HUD-92236-PRA

- Updated with HOTMA
- Not permitted to modify the HUD model lease, except in completing form-fillable parts
- Not required to update also the addenda (unless they were updated)
- Must follow specific process to execute new HUD-92236-PRA
- Must continue to implement pre-HOTMA policies for current families that have not implemented yet the new HUD model lease (i.e. those who are not up for renewal yet)

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## Executing New HUD-92236-PRA continued

- Must send to each family a letter and two copies of updated HUD-92236-PRA
- Must send no later than 60 days prior to the end of the family's lease term, but may be sent earlier to give extra time for family to review
- Must give 60 days advance notice even if month-to-month
- Must indicate in letters these options for families:
  - Accept the modification by signing both copies of the lease contracts provided and returning one of them to onsite staff (continuing participation in 811 PRA),
  - Reject the modification by providing advance notice of vacating at least 30 days in advance prior to recertification due date (voluntarily termination of tenancy)
  - Elect to remain a tenant under the other layered program, terminating rental assistance under 811 PRA (voluntarily termination of assistance), and executing different lease contract

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## Executing New HUD-92236-PRAs continued

- Must encourage families to continue participating in the 811 PRA program, including explaining the reasons for new lease contracts; but, may not force continued participation
- Recommended strongly to obtain in writing if tenant is opting out
- Must begin the process of terminating tenancy or assistance if families do not execute updated HUD-92236-PRAs or do not respond
- If tenant elects to voluntarily terminate assistance and wishes to re-enter the 811 PRA program:
  - The property must have enough units available under the RAC and confirmed by the 811 Administration Division,
  - Execute the updated HUD-92236-PRA
  - Must rescind any other lease contract or addenda executed

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## Executing New HUD-92236-PRAs continued

- Owners must serve to families letters and copies of updated HUD-92236-PRA in the following manner:
  - Sent by first-class mail, properly stamped, and addressed and including a return address, to the family at the unit address AND
  - Delivered to any adult person answering the door at the unit (or if no adult answers the door, the person serving the notice may place it under or through the door or affixed to the door)
- The date on which notices are deemed received by families is the later of:
  - Dates of first-class letter is mailed OR
  - Dates notices are properly given.
- Services of notices is deemed effective once notices have been both mailed and hand-delivered
- Keep all records of sending and delivery to evidence compliance if asked due to a complaint

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## Learning Point 5

Which of the following is true about the new HUD model lease?

- a) Owners may modify language in the HUD-92236-PRA
- b) Owners must send all families letters with copies January 1, 2026
- c) Families may sign an older version of the HUD-92236-PRA
- d) Owners must keep records of when letters and copies of HUD-92236-PRA are both mailed and hand-delivered to families

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## New Forms

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## Written Policies and Procedures

- Tenant selection plans, EIV policies, and administrative plans
- For more info, check on training here:  
<https://www.tdhca.texas.gov/compliance-program-training-presentations>
- Must have currently prior to the effective date of HOTMA:
  - Pre-HOTMA written policies and procedures
  - Post-HOTMA written policies and procedures
- Must continue to implement pre-HOTMA policies on all certifications:
  - Prior to effective date of HOTMA (currently through 12/31/2025)
  - Prior to execution of the new HUD-92236-PRA (like Interim Recertifications)
- Must implement post-HOTMA policies on all certifications:
  - On or after effective date of HOTMA (currently 1/1/2026)
  - After execution of new HUD-92236-PRA (may begin new process if anticipating to receive)

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## HUD-9887/9887-A

- Authorizes Owner to obtain necessary info for verification of an application or to maintain a family's assistance, including income information and tax return information
- Updated for HOTMA
- Must be signed by all family members 18 years of age or older (including full-time student dependents)
- Must be executed at next certification after HOTMA goes into effect

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## HUD-9887/9887-A continued

- Was required previously to be executed at each Annual Recertification
- Going forward only required:
  - When applying for assistance (MI, IC)
  - When adding a household member (IR, OC)
  - When a child turns 18 years of age (written policy decides when)
- Effective until:
  - Assistance is denied or terminated
  - Family provides written notification to Owner to revoke consent, including if the family voluntarily leaves the program

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## HUD-9887/9887-A continued

- Revocation of Consent by the family means
  - Owners may not request or access income info and financial records, including pulling EIV reports and using EIV data
  - Owners may not process recertifications of income, including when a family's income decreases and the family requests an Interim Recertification to decrease Tenant Rent
  - Owners may terminate assistance upon revocation of consent or at when next recertification is due (must be in written policies and procedures)
- Keeping the family participating in the 811 PRA program is the goal

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## Fact Sheet and Brochures

- Updating the following for HOTMA:
  - EIV & You brochure
  - How Your Rent is Determine fact sheet
  - Resident Rights and Responsibilities brochure
- Must provide once HOTMA goes into effect at first certification
- Obtain an executed acknowledgment of receipt from families and keep in tenant files
- Use to help applicants and tenants understand the new processes

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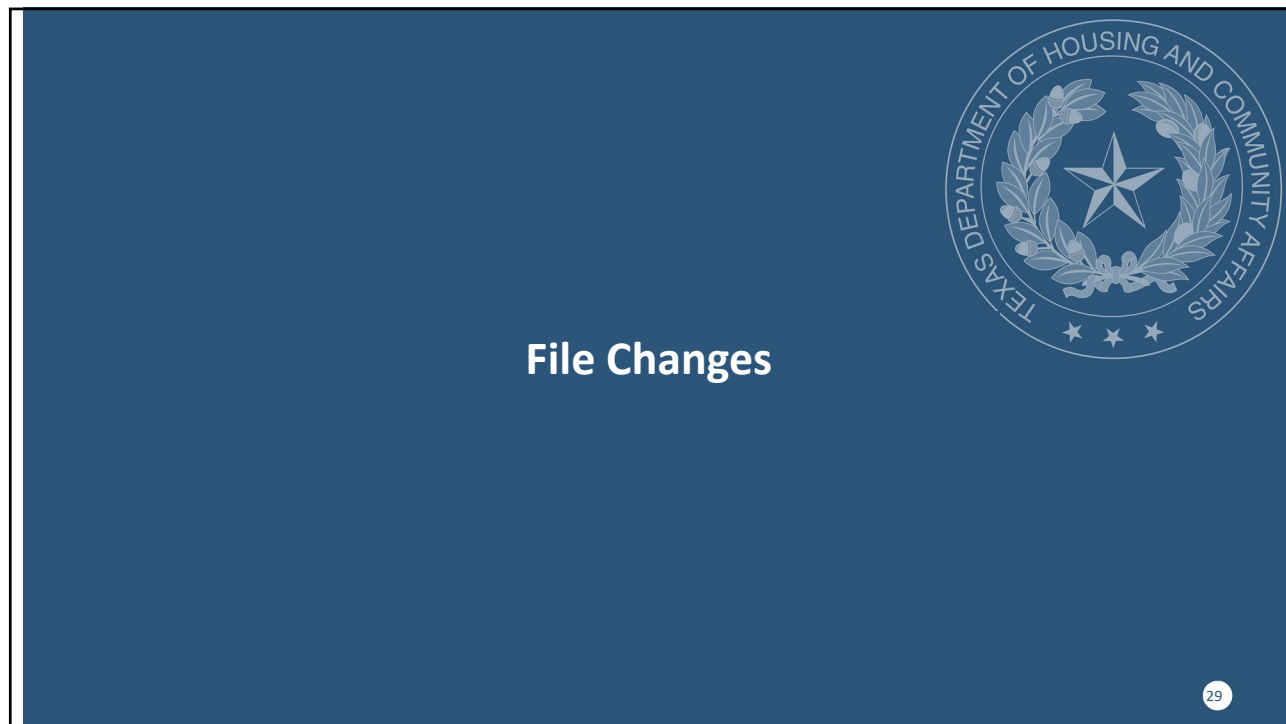
## Learning Point 5

Which of the following is not a HUD form updated for 811 PRA under HOTMA?

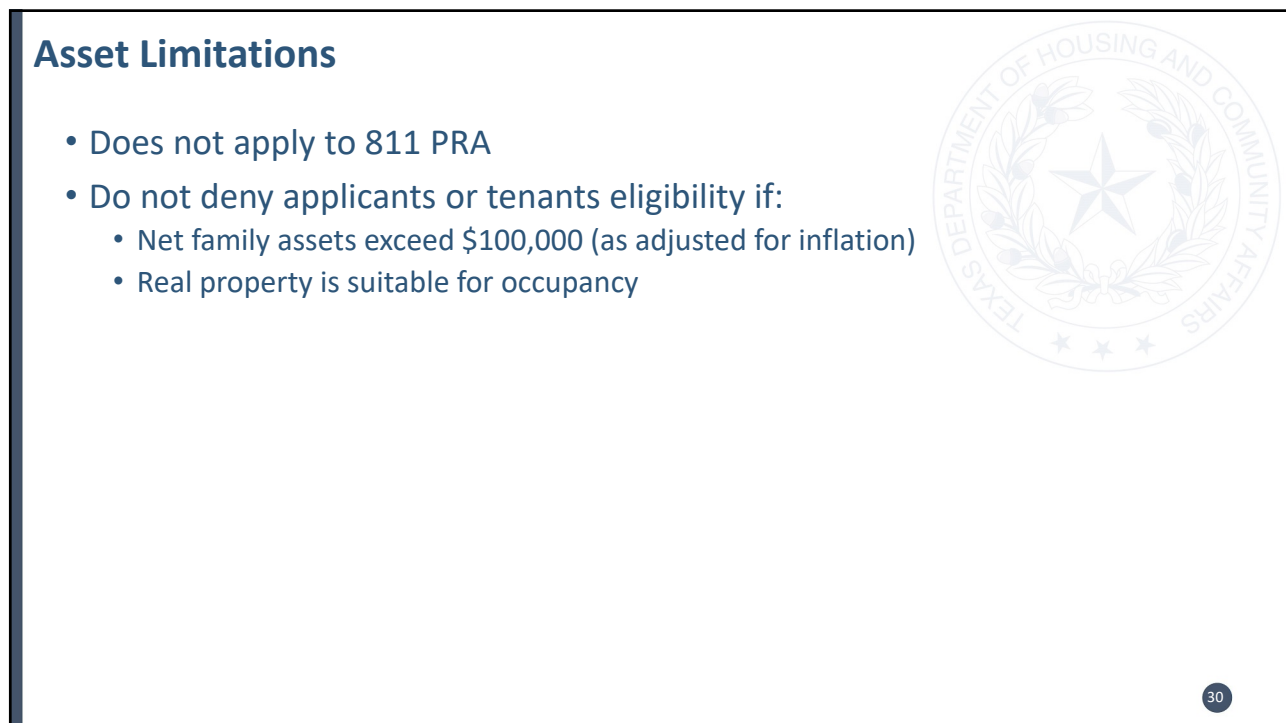
- a) HUD-9887/9887-A
- b) How Your Rent is Determined fact sheet
- c) Resident Rights and Responsibilities brochure
- d) HUD-50058

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## Learning Point 5

Do asset limitation under HOTMA apply to families participating in 811 PRA?

- a) Yes, I was not paying attention to the last slide
- b) No, I was paying attention to the last slide

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## Household Composition

- Definition of Family includes:
  - Heads of households, spouses, co-heads, other adults, dependents
- Those who are part of the household, but not family:
  - Live-in aides, foster adults, foster children, guests
- **Do not include** household members (who are not family members) in calculations of income for eligibility and rent determinations
- **Do include** household members (who are not family members) when determining unit size for occupancy requirements

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## Household Composition: Foster Persons

- Foster adults and children are not dependents
- **Are not eligible** for dependent deductions
- **Are eligible** for reasonable unreimbursed child-care expenses under 13 years of age
  - Only if these expenses are paid from annual income of family and not another source
  - Such as sources from a child welfare agencies
- Family members temporarily placed in foster care (as confirmed by the state child welfare agency) are still counted as a family member from the unit from which they were removed

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## Learning Point 5

Who is considered a family member but not just a household member?

- a) Foster adults
- b) Foster child removed temporarily from another family living with this family
- c) Foster child removed temporarily from this family living with another family
- d) Guests

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## Annual Income

- Recommend watching training at: <https://www.tdhca.texas.gov/compliance-program-training-presentations>
- Not discussing all changes with HOTMA, just ones impacted commonly by 811 PRA
- Clarifies that annual income includes “all amounts received” instead of amounts families may be legally entitled to received but did not
- May count actual payments received for court-awarded child support
- Do not need to verify court-awarded amounts or reasonable attempts to collect

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## Annual Income – Assets

- May elect to certify assets instead of verifying at certain certifications
- Must verify assets at:
  - First certification conducted post-HOTMA
  - Move-In certifications
  - Initial certifications
  - Annual Recertification every third year
- May continue to verify all assets every certification needed

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## Annual Income – Assets continued

- May accept a self-certification of assets if below the HUD self-certification limit (currently as of January 2026 \$52,787)
- Obtain annual inflationary adjustments here:  
<https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>
- Use the Department's "Asset Certification of Net Family Assets" form found under "Income Eligible Forms for all Housing Programs" section here:  
<https://www.tdhca.texas.gov/compliance-forms>
- Keep in mind you must obtain self-certifications of disposed of assets when you do not use the Department's form and verify all assets

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## Annual Income – Assets continued

- May accept a self-certification of assets if below the HUD self-certification limit (currently as of January 2026 \$52,787)
- Obtain annual inflationary adjustments here:  
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- Use the Department's "Asset Certification of Net Family Assets" form found under "Income Eligible Forms for all Housing Programs" section here:  
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- Keep in mind you must obtain self-certifications of disposed of assets when you do not use the Department's form and verify all assets

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## Annual Income – Assets Example

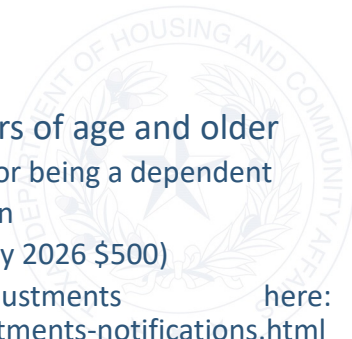


Move-In certification on March 15, 2026	Verify all assets
Annual Recertification on March 1, 2027	Asset Certification of Net Family Assets form
Annual Recertification on March 1, 2028	Asset Certification of Net Family Assets form
Interim Recertification on September 1, 2028	Asset Certification of Net Family Assets form
Annual Recertification on March 1, 2029	Verify all assets

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## Annual Income – Income: Students

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- Earned income of dependent full-time students, 18 years of age and older
    - Excluded earned income over the amount of the deduction for being a dependent
    - Must verify full-time student status from educational institution
    - Amount of deduction adjusts annually (currently as of January 2026 \$500)
    - Obtain annual inflationary adjustments here: <https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html>
    - In example, if the dependent deduction is \$500, you would include the first \$500 of earned income for the verified full-time student dependent
  - Student Financial Assistance for any student in the household receiving assistance
    - Treated like HTC, HOME, etc.
    - Not treated like Section 8
    - Check out income trainings offered

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## Annual Income – Income: Social Security

- Social Security
  - Must include Cost of Living Adjustments (COLAs)
  - Effective the day after made available by Social Security Administration

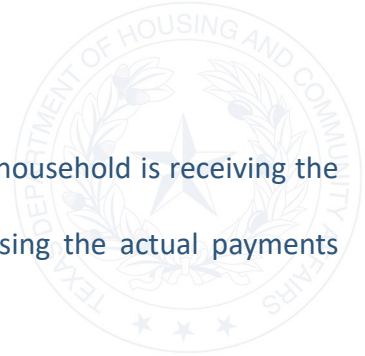


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## Annual Income – Income: Child Support

- Child Support
  - Court Ordered amount will only be used to calculate if the household is receiving the full amount
  - Determination of child support income should be done using the actual payments received within 120 days of the certification effective date



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## De Minimis Errors

- Occurs when an Owner's determination of a family's income deviates from the correct income determination
- By no more than \$30 per month in monthly Adjusted Income (or \$360 in annual Adjusted Income)
- Must correct still errors on certifications
- Must refund overcharges in Tenant Rent or pay underpayments in Utility Reimbursements
- Should not have to pay back HUD for overpayments from HUD under these amounts
- Must still provide corrected certifications to the Department for review

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## Learning Point 6

How do you determine annual income from court-award child support?

- a) Annualize the court-awarded amount unless 1) the tenant certifies that they are not receiving all or part of payments and 2) documentation of a reasonable attempt to collect with the agency responsible for enforcing payments
- b) Annualize payments actually received

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## Learning Point 7

Can you continue to verify all assets for the 811 PRA program instead of accepting self-certifications every third year?

- a) Yes
- b) No
- c) That was too many slides ago

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## Inflationary Adjustments

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## Inflationary Adjustments

1. Threshold above which imputed returns must be calculated on net family assets
2. Threshold above which the total value of non-necessary personal property is included in net family assets
3. The amount of net assets for which Owner accepts self-certification by the family
4. Mandatory deduction for elderly and disabled families
5. Mandatory deduction for a dependent
6. Income exclusion for earned income of dependent full-time students
7. Income exclusion for adoption assistance payments

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## Inflationary Adjustments continued

- Published each year around September for January of the next year
- Scheduled to implement HOTMA effective January 1, 2026 for 811 PRA
- Means certifications prior to January 1, 2026 keep original amounts, such as \$480 for dependent and \$400 for elderly/disabled household
- Mean skipping right to adjustments effective when HOTMA goes into effect
- Here is the link: <https://www.huduser.gov/portal/datasets/inflationary-adjustments-notifications.html#year2025>

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## Inflationary Adjustments Chart



Inflationary Adjustment	Effective 1/1/2024	Effective 1/1/2025	Effective 1/1/2026
1. Asset Threshold	\$50,000	\$51,600	\$52,787
2. NNP	\$50,000	\$51,600	\$52,787
3. Asset Certification	\$50,000	\$51,600	\$52,787
4. Elderly Deduction	\$525	\$525	\$550
5. Dependent Deduction	\$480	\$480	\$500
6. FT Student Income	\$480	\$480	\$500
7. Adoption Assistance	\$480	\$480	\$500

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## Learning Point 8

What is the dependent deduction effective January 1, 2026?

- a) \$480
- b) \$500
- c) \$550
- d) \$52,787

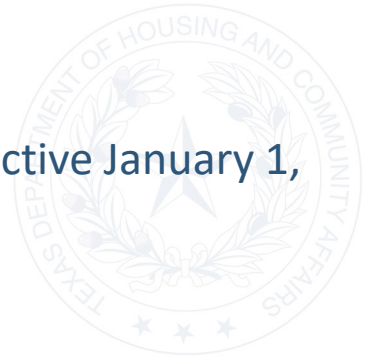
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### Learning Point 9

What is the elderly/disable deduction effective January 1, 2026?

- a) \$480
- b) \$500
- c) \$550
- d) \$52,787



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### Verifications



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## Verifications – EIV

- Must continue to use Enterprise Income Verification System (EIV)
- **Not required** to use at Interim Recertifications
- **Required** to use Enterprise Income Verification System for all other income certifications
- **Not required** to use Income Discrepancy report until HUD updates systems to fix it (but still is required for Income Report)
- If written policy and procedures indicate so, the property may continue to use EIV at Interim Recertifications

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## Verifications – Safe Harbor

- Not permitted by the Department
- Allowed for other multifamily programs monitored by the Department to verify Annual Income:
  - From the PHA
  - Must have been verified within 120 days of effective date of Income Certification
  - Must include annual income and household size
  - Cannot be used when PHA has ownership in the property
- Cannot receiving rental assistance from another program from which these would be accepted and 811 PRA (double subsidy)

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## Learning Point 10

Can you Safe Harbor to verify a family participating in the 811 PRA program?

- a) Yes, I was not paying attention to the previous slide
- b) No, I was paying attention to the previous slide

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## Verifications – Verification Hierarchy Chart

Table J2: Verification Hierarchy

Level	Verification Technique	Ranking/Order of Acceptability
6	Upfront Income Verification (UIV), using HUD's Enterprise Income Verification (EIV) system	Highest PHAs/MFH Owners must pull the EIV Income Report for each family at every Annual Reexamination, unless using Safe Harbor documentation to verify the family's income. EIV may be used as the sole verification of Social Security income. EIV income information may be used to calculate other types of annual income when family agrees. See Level 4 for more information.
5	Upfront Income Verification (UIV) using non-EIV system (e.g., The Work Number, web-based state benefits systems, etc.)	Highest
4	Written, third-party verification from the source, also known as "tenant-provided verification" OR EIV + Self-Certification PHAs/MFH Owners can choose either option when both are available to verify income. PHAs/MFH Owners must use written, third-party verification when the income type is not available in EIV (e.g., self-employment, Go Fund Me accounts, general public assistance, Veterans Administration benefits, etc.)	High • Written, third-party verification is used when tenant disputes EIV-reported employment and income information. • The EIV Income Report may be used to verify and calculate income if the family self-certifies that the amount is accurate and representative of current income. The family must be provided with the information from EIV.
3	Written, Third-Party Verification Form	Medium • Use if Level 5 or Level 4 verification is not available or is rejected by the PHA/MFH Owner and when the applicant or tenant is unable to provide acceptable documentation. • May substitute Level 2 for written, third-party verification form, only completing one of the two forms of verification before moving to self-certification.
2	Oral Third-Party Verification	Medium
1	Self-Certification (not third-party verification)	Low • Use as a last resort when unable to obtain any type of third-party verification or if specifically permitted, such as to determine actual income from assets when the family certifies that net family assets do not exceed \$50,000. • May be used as highest form of verification when the family reports zero income.

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## Verifications – Verification Hierarchy

- Must continue to pull EIV reports and verify discrepancies, regardless which verification you use to calculate Annual Income
- These discrepancies include new Annual Recertification looking backwards for employment during the previous twelve months
- May use EIV Income Report as sole verification of Social Security income, unless the tenant disagrees or the SSA has released COLA
- May use EIV + Self-certification method if the family puts into writing they agree
- First-hand documentation is preferred to third-party verifications
- Oral third-party verifications are good for clarifying information in first-hand or third-party verifications
- Must document attempts and reasons why unable to use higher level of verifications before using self-certification from tenants (not required to be notarized however J.5 of the HUD Notice 2013-10 has good language to include on self-certifications)

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## Verifications – Social Security Numbers (SSNs)

- Adding acceptable verifications to Acceptable Forms of Verification found in Appendix 3 of the HUD Handbook 4350.3
- Not replacing the requirement
- Intended to help applicants/tenants who may have difficulties obtaining verification of SSN
- This change should directly help some of the target populations of the 811 PRA program

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## Verifications – Social Security Numbers (SSN) continued

- Tenants must:
  - Self-certify their SSN (do not forget that language found under J.5) AND
  - Provide at least one third-party document that contains their name
- Examples of third-party documentation includes, but is not limited to: bank statements, utility or cell phone bills, benefit letters
- Owners must keep along that verification documentation why the other SSN documentation as not available (i.e. a note to file/clarification record)
- Keep documentation in tenant file, but no longer required to keep verifying SSNs once verified in EIV reports
- If SSNs are not valid, must obtain a valid SSN card by the SSA or an original document issued by a federal or state government agency that contains the name and SSN of that member, along with other identifying information of the individual (the extra option no longer is sufficient)

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## Verifications – Verification of Excluded Income

- Not required to verify income specifically excluded
- May verify to help determine if excluded, such as SNAP benefits
- Must verify earned income for full-time student dependents over the age of 18, even if only excluded dependent deduction amount (adjusted by inflation)

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### Learning Point 11

Can you skip using EIV at Annual Recertifications after HOTMA goes into effect?

- a) Yes, I have gone off the rails here
- b) No, it is still part of the process



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### Learning Point 12

Can you skip using EIV at Interim Recertifications after HOTMA goes into effect?

- a) Yes, but it must be in my post-HOTMA written policies and procedures
- b) No, unless it is written on a special 811 PRA vest worn by onsite staff during normal business hours



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