



# PRACTICAL POINTS

Official Newsletter of PMCS, Inc.

FALL 2023 | HOTMA Edition

## Industry Updates

### HOTMA Final Rule Implementation Date is January 1, 2024!

HUD provided supplemental Implementation Guidance for the Housing Opportunity Through Modernization Act of 2016 (HOTMA) in Housing [Notice H 2023-10](#) released on September 29, 2023. With this Final Rule, implementation guidance on HOTMA regulations will become effective on January 1, 2024, with ongoing implementation throughout calendar year 2024. Compliance dates of March 31, 2024, have been established by HUD to address the required updates of policies and procedures to include

Tenant Selection Plans and EIV Policies and Procedures to reflect these changes; along with specific guidelines to address the implementation of HOTMA and TRACS 203A.

HUD Housing [Notice H 2023-10](#) addresses Sections 102 and 104 of HOTMA with both sections making sweeping changes to the United States Housing Act of 1937, especially those surrounding income calculation and household reviews.

*continued on page 02*

## Contents

**Industry Updates**  
PAGE 01

**Training Schedule**  
PAGE 05

**Did You Know?**  
PAGE 06

**PMCS News**  
PAGE 09

**Just For Fun!**  
PAGE 10



# Industry Updates

## HOTMA Final Rule Implementation Date is January 1, 2024! *(continued)*

Section 102 changes requirements related to income reviews while Section 104 sets maximum asset limits for both HUD Public Housing and Multifamily Section 8 Housing programs. Some highlights include applicant eligibility restrictions when a family owns real property that is suitable for occupancy by the family as a residence or has assets in excess of \$100,000; calculating anticipated income vs using prior year income at recertification, higher threshold (3% to 10%) of family income to determine Medical/Disability Expense deductions, changes in amounts for dependent deductions and elderly/disabled family deductions and corresponding hardship exemptions, household composition changes; and changes to income and asset inclusions/exclusions.

Once the HUD Compliance Software package is updated to be HOTMA compliant (TRACS 203A system requirements have been fully implemented), Owners/Agents must:

1. Provide tenants with sixty (60) days' notice that their lease will be modified at the end of the lease term, after expiration of the sixty (60) day notice and implement new HUD approved lease formats.
2. Implement revised Tenant Selection Plans and EIV Policies and Procedures.
3. Use the revised Tenant Consent Form (HUD 9887/9887A) and Fact Sheets (How Your Rent Is Determined).
4. All tenant data must comply with HOTMA regulations.

Management and Occupancy Reviews (MORs) completed during calendar year 2024 will identify and record HOTMA related deficiencies as *observations* with corrective actions included in the MOR report. By January 1, 2025, full compliance with the HOTMA final rule will be mandatory, and any MORs completed during calendar year 2025 or after will identify and record HOTMA related deficiencies as findings in the MOR report requiring corrective action. All revised forms must be completed with all households at time of annual reviews to include model leases, 9887/A, and Race & Ethnicity.



While this supplemental guidance on the Final Rule does provide extended timing for implementation of HOTMA throughout 2024, there are many moving parts that we are reviewing closely to provide continued quality service to our clients and customers. We will be reaching out directly to provide updated policies & procedures and assistance with any questions you may have during this process.



# Industry Updates

## 2024 Fair Market Rents Published

On Thursday, August 31, 2023, HUD published the following notice ([HUD No. 23-186](#)):

**WASHINGTON** – Today, the U.S. Department of Housing and Urban Development (HUD) announced two actions that together will enable more families to rent a healthy, stable home at an affordable cost: publishing Fair Market Rents (FMRs) for Fiscal Year (FY) 2024 and releasing an additional \$113 million in Housing Choice Vouchers to public housing agencies to help 9,500 families to meet these growing costs.

“Housing choice vouchers are some of the strongest tools we have to help families find stable and affordable housing,” **said HUD Secretary Marcia L. Fudge**. “This year, HUD found that rents rose once again, accentuating the strain on costs for American families. These updated Fair Market Rents and our funding will ensure households can utilize vouchers in a competitive rental market.”



First, the Office of Policy Development and Research (PD&R) published Fair Market Rents (FMRs) for FY 2024, which helps to determine the maximum amount a Housing Choice Voucher will cover.

**Nationally, FMRs will increase by an average of approximately 12 percent**, which will increase the number of units that families using housing vouchers can access.

“Increases in Fair Market Rents help families find homes of their choosing in competitive housing markets,” **said Solomon Greene, Principal Deputy Assistant Secretary for Policy Development and Research**. “This year we are continuing improvements we made last year to how we calculate Fair Market Rents to make sure they are keeping up with rising rents. We’ve already seen these improvements help more voucher holders find housing that is affordable, and we expect these new updates will help even more families.”

The Office of Public and Indian Housing (PIH) also announced an **additional \$113 million in Housing Choice Voucher funding awards for 118 high-performing public housing agencies in 36 states**. These funds will enable these agencies to provide rental assistance to 9,500 additional households in the coming year.

“We want to make sure communities have the tools they need to help families lease homes,” **said Richard J. Monocchio, Principal Deputy Assistant Secretary for Public and Indian Housing**. “The additional funding we are awarding to housing authorities today helps these agencies that are already maximizing funds to house as many families as possible.”

*continued on page 04*



# Industry Updates

## 2024 Fair Market Rents Published *(continued)*

[Click here to view the FY24 FMRs.](#) FAQs on the FY24 FMRs are available [here](#).

The Housing Choice Voucher program enables families to afford rental units in the private market. Given recent rental cost increases, families who receive vouchers are experiencing greater difficulty successfully using their vouchers to find affordable, safe, and quality housing. The new FMR levels announced today – on top of an approximately 10 percent increase nationally in FY 2023 – will help the voucher program keep up with rent increases in the private market, expand the number of affordable units, and help more families rent homes at an affordable cost.

Housing Choice Vouchers are a key element of the Biden-Harris Administration’s strategy to reduce homelessness and provide American families with tangible resources to address rising living costs. Since entering office, the Biden-Harris Administration has awarded more than 100,000 new housing vouchers to help more families afford a healthy, stable place to rent.



## NSpire (National Standards for the Physical Inspection of Real Estate) Final Standards Published

NSpire Final Standards were published on July 7, 2023, with the intent of strengthening HUD’s physical condition standards and inspection model that is well over twenty (20) years old. This set of standards will take the place of UPCS (Uniform Physical Condition Standards) and HQS (Housing Quality Standards). The NSpire scoring methodology converts observed physical issues into a numerical score of 0-100.



Some of the changes include a focus on health and safety issues rather than the look or function of a property, and common areas will get less emphasis over residential units. One of the most significant changes is that of the 14-day notice of inspection over the current 120-day notice.

NSpire was scheduled to begin and went into effect on October 1, 2023, for HUD Multifamily portfolio with the REAC (Real Estate Assessment Center) continuing as the inspection office with the aim to standardize inspections further improving the experience for owners and residents. Visit [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/react/nspire](https://www.hud.gov/program_offices/public_indian_housing/react/nspire) for more information.



# Training Schedule

## Focused Topics

Special Claims | 11.21.23 & 02.15.24

Waiting List Management & Tenant Selection | 12.05.23 & 02.01.24

Industry Updates: HOTMA and TRACS 203A | 01.09.24, 02.22.24, & 03.19.24

TRACS Fundamentals | 03.05.24

TRACS Voucher and Cert Queries | 03.07.24

## New Manager Series

Tenant Interviews | 01.04.24

Calculating Annual Income for 50059s | 01.11.24

Determining the Cash Value of Assets | 01.18.24

Expenses and Deductions | 01.25.24

## Advanced Series

Advanced Scenarios in HUD Compliance | 02.29.24

## Fair Housing Series

Fair Housing Basics | 04.04.24

Fair Housing for Maintenance & Operational Staff | 04.09.24

Fair Housing - Section 504 & Reasonable Accommodations | 04.11.24

Fair Housing Special Topics: VAWA, Assistive Animals, and Compliance Updates | 04.18.24

Affirmative Fair Housing Marketing Plans | 04.25.24

## EIV Series

EIV Master Reports and Existing Tenant Search | 05.02.24

EIV Income Reports and Fundamentals of Discrepancies | 05.09.24

Creating and Reporting EIV Repayment Agreements | 12.07.23 & 06.06.24

## MOR Series

MOR Part I - Understanding the Mechanics of a HUD MOR | 03.14.24

MOR Part II - Assess Your Forms and Policies for Compliance | 03.21.24

MOR Part III - Interpreting, Responding to, and Closing out MORs | 03.28.24





# Did You Know?

## SSA Announces the 2024 COLA Increase of 3.2%

On October 12, 2023, the Social Security Administration announced that the monthly Social Security and Supplemental Security Income (SSI) will increase 3.2% in 2024. Increased SS payments will begin in January 2024 while SSI payments will be increased on December 29, 2023. To view the announcement, click [here](#).



What does this mean for your upcoming certifications?

Annual or Interim Recertifications effective January, February, March, or April 2024 should be processed according to guidance provided in HUD **Handbook 4350.3, Rev-1, Change 4, 9-6, B.1.e**. Based on this section of the handbook, the owner/agent must use one of the following methods for determining the tenant’s income to be reported on ARs and IRs effective January 1, 2024 – April 1, 2024:

- Use the benefit information reported in EIV that

- does not include the 2024 COLA as third party verification as long as the tenant confirms that the income in EIV is what he/she is receiving;
- Use the SSA benefit award letter or proof of income letter provided by the tenant that includes the 2024 COLA adjustment if the date of the letter is within 120 days from the date of receipt by the owner;
- Determine the tenant’s income by applying the 3.2% COLA increase to the current verified benefit amount and document the tenant file with how the tenant’s income was determined;
- Request third party verification directly from SSA when the income in EIV does not agree with the income the tenant reports he/she is receiving (see **Paragraph 9-15**)

All recertifications effective after April 1, 2024 **must** reflect the SSA benefit including the COLA.

The Centers for Medicare and Medicaid Services (CMS) has announced that the standard Medicare Part B monthly premium will increase \$9.80 for 2024. The new amount will be \$174.70 (up from \$164.90 in 2023). To view the full announcement on the CMS.gov website, click [here](#).





## Did You Know?

### Office of Multifamily Housing Programs Emails

The Multifamily Housing RHIP Listserv was established several years ago to provide the latest RHIP (Rental Housing Integrity Improvement Project) related news, occupancy tips, and other items of information for the stakeholders of the various HUD subsidized multifamily programs. This was an excellent resource for HUD news, however, there have been no new RHIP Listserv postings in over two years.



To receive current HUD news, we suggest subscribing to emails from the Office of Multifamily Housing Programs. User preferences for specific topics can be set when you sign up at this address: <https://public.govdelivery.com/accounts/USHUDFHA/subscriber/new>

### Cyber Awareness Challenge 2024

HUD requires that anyone who uses EIV as part of their job description must complete a security training called the Cyber Awareness Challenge. The 2024 Cyber Awareness Challenge is now available online through the DoD Cyber Exchange website. This new Cyber Awareness Challenge requires the user to complete a series of missions to stop a cybersecurity attack. The Challenge also offers a “speed mission” that allows the user to use the Knowledge Check option. If all questions are answered correctly, users will skip to the end of the incident. If any questions are answered incorrectly, users must review and complete all activities contained within the incident.



To access the training, go to <https://public.cyber.mil/training/cyber-awareness-challenge/>.

This training must be completed annually, and the certificate must be kept in the EIV binder.



## Did You Know?

### Rental Assistance Demonstration (RAD) Supplemental Notice Issued!

On July 27, 2023, HUD issued RAD Supplemental Notice 4B, [HUD Housing Notice H 2023-08 and PIH 2023-19](#) which identified revisions to:

- RAD for PRAC initial contract rent setting,
- Energy efficiency and climate resilience,
- Radon policies,
- Treatment of zero-HAP families,
- HQS inspection standards for occupied units during the Work period,
- Faircloth-to-RAD Developments, and
- RAD/Section 18 Blend Streamlining

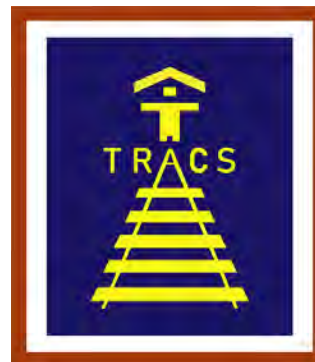
The effective date of the changes were immediate following publication in the Federal Register, subject to a thirty (30) day comment period. A copy of the RAD Supplemental Notice 4B can be found here: <https://www.hud.gov/sites/dfiles/Housing/documents/RADSupplementalNotice4B%20FINAL.pdf>



### TRACS Service Interruption on August 21<sup>st</sup>

On August 21, 2023, the TRACS system experienced a service interruption. TRACS users may have been affected by delayed processing of tenant certifications and vouchers.

*We suggest that TRACS certification queries be reviewed closely to ensure that any certifications transmitted during the interruption are noted properly.*



Request for technical assistance should be directed to:

#### Tenant Rental Assistance Certification System (TRACS)

**Administered by: Multifamily Housing**

**Phone: (888) 297-8689, option 5**

**Help Desk hours: M-F, 9am-8pm EST**

**Email: [TRACS@hud.gov](mailto:TRACS@hud.gov)**





# PMCS News

## New PMCS Office Space

As of June 1st, PMCS moved to our new office location at **500 Plum Street, Suite 320, Syracuse, NY 13204**. We have settled in and are enjoying serving our clients from this new space.



## Summer Fun with PMCS!

At the end of August, the PMCS team enjoyed an afternoon in the sun at a Syracuse Mets baseball game. This has become an annual tradition for PMCS, and we look forward to this event each summer!





# Just For Fun!

## HOTMA Word Search



Find the following words in the puzzle.  
Words are hidden → ↓ and ↘ .

ASSETS  
CALCULATION  
CHANGES  
COMPLIANCE  
GUIDANCE  
HANDBOOK  
HOTMA

HUD  
IMPLEMENTATION  
INFLATIONARY  
JANUARY  
NOTICE  
POLICIES  
REGULATIONS

REQUIREMENTS  
REVISED  
TRACS  
VERIFICATION

Follow us:

