

HOTMA Supplemental Guidance Update

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Dear Multifamily Owners and Operators,

The U.S. Department of Housing and Urban Development (HUD) is working to release supplemental guidance related to the Housing Opportunity Through Modernization Act (HOTMA), specifically related to the asset limitation described in Attachment A in Notice H 2023-10. This supplemental guidance will describe the discretion owners have regarding implementation and enforcement of the provision (24 CFR §§ 5.100; 5.603; and 5.618), and we strongly recommend you review it before making any change to current management policies. As a reminder, full compliance with the HOTMA final rule is mandatory effective January 1, 2025.

HOTMA introduces various statutory changes aimed at improving and modernizing federal housing programs. As HUD prepares to release new asset limitation guidance, we encourage you to stay informed about any updates that may affect your operations and to ensure that they align with the latest regulations and best practices.

Until new guidance is released, please be aware of the following:

MFH Owners must not enforce the asset limitation or the real property exemption until both the owner's software is HOTMA compliant (with TRACS 203A), and the family has signed a model lease detailing the new HOTMA provisions.

HUD understands that staying abreast of regulatory guidance is crucial for successful administration of housing programs. We will continue to communicate any developments as soon as they arise. In the meantime, please feel free to reach out to MFH_HOTMA@hud.gov if you have any questions or concerns. We thank you for your continued commitment to providing safe and affordable housing for all.