

## HOTMA Policy Supplement

### Overview

While full compliance with HOTMA is mandatory by January 1, 2025, PHAs select a HOTMA compliance date sometime in 2024 on which to begin fully applying all HOTMA provisions to their programs. All transactions with an effective date on or after that date must follow HOTMA regulations and the PHA's updated policies.

While the majority of HOTMA provisions cannot be implemented until the Housing Information Portal (HIP) and the PHA's software is ready, HUD encourages PHAs to implement certain specific provisions of HOTMA that do not require HIP implementation irrespective of the PHA's HOTMA compliance date. HUD described which provisions of HOTMA may be implemented early in FAQs published February 22, 2024. **All other provisions of HOTMA are not applicable until the PHA's HOTMA compliance date.**

The following details discretionary policies which HUD allows PHAs to implement prior to their HOTMA compliance date. Early adoption of such policies is optional. The PHA may adopt some, all, or none of the policies listed below prior to their HOTMA compliance date.

(Note: Although HUD's 2/22/24 FAQs list Zero Income Reviews (as described in Section J.8 of revised Notice PIH 2023-27) as an area where PHAs may adopt HOTMA policies prior to the PHA's implementation date, HOTMA did not make any significant changes in this area. The PHA may continue to use their current zero income policies. Therefore, no policy decision point has been listed below.)

### Instructions

For each topic listed below, indicate whether the PHA will implement the policy prior to the PHA's HOTMA compliance date:

- If the PHA will not implement a policy prior to their compliance date, check "PHA's HOTMA compliance date" below. **No other action is required.**
- If the PHA will implement a policy prior to the PHA's HOTMA compliance date, indicate the date on which the policy will be effective in the blank provided. All transactions on or after the date indicated will follow the policy. In this case, **insert the PHA's policy below under "PHA Policy"**.

## PHA HOTMA Policies

### I. Earned Income Disallowance (EID)

Since HOTMA removed the statutory authority for the EID as of January 1, 2024, regardless of the PHA's HOTMA compliance date, the PHA must not enroll any new families in the EID. This is mandatory. The EID is only available to families that were eligible for and participating on the program as of December 31, 2023, or before; no new families are to be added on or after January 1, 2024. If a family was receiving the EID prior to or on December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. PHA policies governing the EID are applicable only to such families.

**Discretion:** None

**Implementation date:** January 1, 2024

### II. Form HUD-9886-A

Section J.1 of Notice PIH 2023-27 provides that PHAs were able to begin having families sign the new HUD-9886-A on January 1, 2024. While the PHA is not required to update its policies to begin using the new Form HUD-9886-A, the new form refers to the family's ability to revoke consent with respect to the PHA's ability to access financial records from financial institutions, unless the PHA establishes policies that revocation of consent will result in a denial of admission or termination of assistance. As such, if the PHA will begin using the new Form HUD-9886-A prior to the PHA's compliance date and adoption of such policy, the PHA should also implement policies governing revocation of consent at the same time.

**Implementation date** (select one):

PHA's HOTMA compliance date

Other (insert date): February 28, 2024

#### **PHA Policy**

***7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516; 982.551; CFR 5.230; and Notice PIH 2023-27]***

#### ***Consent Forms***

*The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 982.551]. All adult family members must sign consent forms as needed to collect information relevant to the family's eligibility and level of assistance. While PHAs must use form HUD-9886,*

*this form does not release all the information necessary to the administration of the program. The PHA must also develop its own release forms to cover all other necessary information.*

***Form HUD-9886 [24 CFR 5.230(b)(1), b(2), (c)(4), and (c)(5); and Notice PIH 2023-27]***

*All adult applicants and participants sign form HUD-9886, Authorization for Release of Information. All adult family members (and the head and spouse/cohead, regardless of age) are required to sign the Form HUD-9886 at admission. Participants, prior to January 1, 2024, signed and submitted Form HUD-9886 at each annual reexamination. HOTMA eliminated this requirement and instead required that the Form HUD-9886 be signed only once. On or after January 1, 2024 (regardless of the PHA's HOTMA compliance date), current program participants must sign and submit a new Form HUD-9886 at their next interim or annual reexamination. This form will only be signed once. Another Form HUD-9886 will not be submitted to the PHA except under the following circumstances:*

- When any person 18 years or older becomes a member of the family;*
- When a current member of the family turns 18; or*
- As required by HUD or the PHA in administrative instructions.*

*The PHA has the discretion to establish policies around when family members must sign consent forms when they turn 18. PHAs must establish these policies stating when family members will be required to sign consent forms at intervals other than at reexamination.*

*GHA Policy*

*Family members turning 18 years of age between annual recertifications will be notified in writing that they are required to sign the required Consent to the Release of Information Form HUD-9886 at the family's next annual or interim reexamination, whichever is earlier.*

*The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA).*

*The PHA may obtain any financial record from any financial institution, as the terms financial record and financial institution are defined in the Right to Financial Privacy Act (12 U.S.C. 3401), whenever the PHA determines the record is needed to determine an applicant's or participant's eligibility for assistance or level of benefits [24 CFR 5.230(c)(4)].*

*The executed form will remain effective until the family is denied assistance, assistance is terminated, or the family provides written notification to the PHA to revoke consent.*

### ***Penalties for Failing to Consent [24 CFR 5.232]***

*If any family member who is required to sign a consent form fails to do so, the PHA must deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.*

*However, this does not apply if the applicant, participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to access financial records will result in denial or termination of assistance or admission [24 CFR 5.232(c)]. PHAs may not process interim or annual reexaminations of income without the family's executed consent forms.*

#### **GHA Policy**

*The PHA 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 PHA policy.*

*In order for a family to revoke their consent, the family must provide written notice to the PHA. Within 10 business days of the date the family provides written notice, the PHA 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 PHA will notify their local HUD office.*

### ***3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.232; HCV GB, p. 5-13]***

*HUD requires that each adult family member, and the head of household, spouse, or cohead, regardless of age, sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, the form HUD-52675 Debts Owed to Public Housing Agencies and Terminations, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements. The consent form remains effective until the family is denied assistance, assistance is terminated, or the family provides written notification to revoke consent.*

*The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3) and 24 CFR 5.232(a)].*

*However, this does not apply if the applicant or participant, or any member of their family, revokes their consent with respect to the ability of the PHA to access financial records from financial institutions, unless the PHA establishes a policy that revocation of consent to*

*access financial records will result in denial or termination of assistance or admission  
[24 CFR 5.232(c)]*

**GHA Policy**

*The PHA has established a policy that revocation of consent to access financial records will result in termination of assistance or denial of admission.*

**III. Safe Harbor Income Determinations**

Section J.4 of Notice PIH 2023-27 allows PHAs to use income determinations from other means-tested federal public assistance programs to verify annual income. These are known as Safe Harbor income determinations. PHAs that choose to adopt this policy before migrating to HIP must list the annual income from the other program's determination in Section 7 of the HUD-50058 for the head of household using the "Other Non-Wage Sources" income code.

**Implementation date** (select one):

PHA's HOTMA compliance date

Other (insert date):

**IV. Verification Dated within 120 Days**

Section J.5 of Notice PIH 2023-27 updated the guidance for Level 4 documentation (Written Third-Party Verification) to include an original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA, rather than 60 days as is currently required.

**Implementation date** (select one):

PHA's HOTMA compliance date

Other (insert date): February 28, 2024

**PHA Policy**

*Third-party documents provided by the family or the source must be dated within 120 days of the date received by the PHA. All references to the age of third-party verifications in the PHA's policy are replaced with 120 days.*

## **V. Verification of Fixed Income Sources**

In accordance with Section J.5 of Notice PIH 2023-27, PHAs may accept a statement dated within the appropriate benefit year for fixed income sources.

**Implementation date** (select one):

- PHA's HOTMA compliance date
- Other (insert date): February 28, 2024

### **PHA Policy**

*For fixed income sources, a statement dated within the appropriate benefit year is acceptable documentation. Requirements that third-party verification be dated within 60 or 120 days (as applicable) do not apply, and all references to verification of fixed income sources throughout the policy are replaced.*

## **VI. Verification of Social Security Numbers (SSN)**

Section J.6 of Notice PIH 2023-27, HUD noted that it is adjusting what HUD considers acceptable documentation of SSN under 24 CFR 5.216(g)(1). PHAs have the option of accepting a self-certification and a third-party document (such as a bank statement, utility or cell phone bill, or benefit letter) with the applicant's name printed on it to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation. If verifying an individual's SSN using this method, the PHA must document why the other SSN documentation was not available.

- PHA's HOTMA compliance date
- Other (insert date):