









## FAQ: INCOME



	HOTMA provisions call for the actual amount of child support received to be used, rather than the court ordered payment. Will MSHDA be implementing this provision?
	Yes. Effective 1/1/2024 use the actual amount of child support received in the last 12 months as your verification for Child Support Income on the TIC.



	Are all lawsuit settlements excluded from income calculation?
	No. Only the specifically listed types of lawsuits detailed by HUD should be excluded from income calculation. Otherwise, the income should be counted depending on how it is paid; lump sum vs. ongoing payments.

	Will MSHDA allow 2 paystubs as verification for employment as noted in HUD Housing Notice 2023-10 Implementation Guidance?
	MSHDA prefers 4 paystubs to be used for 3 <sup>rd</sup> party verification of employment, and HUDCPD (HOME/HTF) requires 2 months of source documents to utilize paystubs. However, a verification that only utilizes 2 paystubs would not be a violation.



## FAQ: ASSETS



	Has the Passbook Savings Rate changed effective 1/1/2024? Will this affect LIHTC?
	Yes. The Passbook Savings Rate is 0.40% effective 1/1/2024, for all programs. Remember! Imputed Asset Income under HOTMA is ONLY calculated if total net assets exceed the threshold (\$50,000 in 2024) and ONLY on assets that do not have a determinable actual income (0% or “non-interest bearing” is a determined/actual rate).

	If the household had a Divestiture of Assets on the 2023 TIC that is from an asset type that is no longer counted under HOTMA, would the Divestiture still be listed for a 2 <sup>nd</sup> year on the 2024 TIC?
	Yes. Please list the amount that was Less than Fair Market Value when the asset was Divested in 2023 on the 2024 TIC for its 2 <sup>nd</sup> year.

	MSHDA requests that a change of \$1,000.00 (or more) in an asset, positive or negative, be explained by the household at recertification. How will this be affected by HOTMA's change in what is counted as an asset?
	The explanation for the decrease of any newly excluded asset would be "Asset removed due to HOTMA rule changes."

## FAQ: HOTMA GENERAL

	For layered sites, how are we implementing the different requirements?
	<p>For all MSHDA Programs please implement as much of HOTMA's changes as possible beginning 1/1/2024. This may mean that you need to create handwritten TICs until your software vendor has adopted the new MSHDA TIC.</p> <p>(We are aware that Section 8 is delaying implementation until the updated HUD form 50059 is ready, the TRACS update is complete, and software vendors are caught up. However, your MSHDA Program file is already required to be kept separate from the HUD file due to EIV information, so having the files separated and slightly different should not be too burdensome.)</p>

	Does MSHDA want Tenant Selection Plan (TSP) updates by 1/1/2024?
	<p>No. We are following HUD's 3/1/2024 deadline for TSP updates on properties that are layered with multiple funding sources.</p> <p>As of 12/13/23 We are aware of the following TSP items that will need to be updated (Please Note: for MSHDA Compliance only the Self-Certification of Net Family Assets is applicable):</p>

**De Minimis Errors –**

24 CFR §§ 5.609(c)(4); 5.657(f); 891.105; 891.410(g); and 891.610(g))

Owners must include in the TSP how they will repay or credit a family the amount that the family was overcharged retroactive to the effective date of the action for which the error was made, regardless of the dollar amount associated with the error.

**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))

Owners must include in their TSPs whether they will accept a family’s self-certification of assets of \$50,000 or less at admission (only for new admissions effective on or after 1/1/24) and/or at reexamination.

**(General Relief): Hardship Exemptions for Health/Medical Care Expenses & Reasonable Attendant Care & Auxiliary Apparatus Expenses:**

24 CFR § 5.611(c)(2))

- Owners must develop written policies in their TSPs defining the changes in circumstances that are required for a family to qualify for a hardship exemption. Owners must state in the TSP whether hardship exemption extensions are allowable, and the maximum number of 90-day extensions

**(Phased-in Relief): Hardship Exemptions for Health/Medical Care Expenses & Reasonable Attendant Care & Auxiliary Apparatus Expenses:**

24 CFR § 5.611(c)(1))

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 was admitted to their current unit. This discretion should be stated in the TSP.

**Hardship Exemption to Continue Child Care Expense Hardship:**

24 CFR § 5.611(d))

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. Owners must include this policy in the TSP. Owner’s Discretionary Policy: 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. Owners must include in their TSP whether they will permit extensions of the 90-day hardship period and the maximum number of 90-day extension periods

**Interim Reexaminations – Decreases in Adjusted Income:**

24 CFR §§ 5.657(c)(2); 891.105; 891.410(g); and 891.610(g)

Owners may decline to conduct an interim reexamination of family income if the Owner estimates that the family's adjusted annual 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 Owner. Owners must identify in their TSPs the percentage threshold they will use for conducting interim reexamination for decreases in a family's adjusted income.

**Interim Reexaminations – Increases in Adjusted Income:**

(24 CFR §§ 5.657(c)(3); 891.105; 891.410(g)(2); and 891.610(g)(2)

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. (2) Owners may choose not to include earned income increases in determining whether the ten percent threshold is met 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. (3) Owners must describe these policies in their TSPs.

**Interim Reexaminations – Reporting Changes & Effective Date:**

24 CFR §§ 5.657(c)(4); 891.410(g)(2); and

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 interims or other non-interim reexamination transactions. 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. 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. Owners must describe these policies in their TSPs.

**Revocation of Consent Form:**

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)

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. (4) Owners must describe these policies in their TSPs.



**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)

-Owners that choose to implement Safe Harbor income determinations must:

Establish in a written 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

	<p>Create policies that outline the course of action when families present multiple verifications from the same or different Safe Harbor programs (e.g., Owners could establish policies to accept the most recent income determination).</p> <p>Owners must describe these policies in their TSPs.</p>
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	<p>Can the HUD form 50058 and/or 50059 be used as verification of Income and Assets during Recertification ? What about during a 3<sup>rd</sup> Year Annual Recertification when the household cannot self-certify assets?</p>
	<p>Yes. The HUD form 50058 and/or 50059 can be used as the verification of Income and Assets during all Recertifications, even during a 3<sup>rd</sup> Year Annual Recertification when the household cannot self-certify assets and they must be 3<sup>rd</sup> party verified.</p>