



HOTMA FACT SHEET

Important Changes Effective January 1, 2027

What is HOTMA?

HOTMA stands for the **Housing Opportunity Through Modernization Act of 2016**. It is a federal law that changes certain HUD rules used to determine household income, assets, deductions, and rent for families receiving Housing Choice Voucher (HCV) assistance. Beginning **January 1, 2027**, our Housing Authority will apply the applicable HOTMA requirements to HCV transactions with effective dates on or after January 1, 2027.

What Does This Mean for My Family?

HOTMA does not automatically mean your rent will increase. The effect of HOTMA will depend on your family's individual circumstances. Some households may see a change in their rent or assistance, while others may see little or no change. As a reminder, your rent is based on your household income, assets, deductions, family composition, and other applicable program requirements. You must continue to provide accurate information when requested by the Housing Authority.

What Is Changing?

<u>Area</u>	<u>What HOTMA Changes</u>	<u>What It Means for You</u>
Income	Changes how certain income is calculated and reviewed	Your annual income may be calculated differently
Assets	Changes how certain assets and income from assets are treated	Bank accounts and other assets may be treated differently
Asset Limit	Establishes a limit on net family assets, subject to HUD's rules and exclusions	Certain households with significant assets may be affected
Medical Expenses	Changes the threshold for deducting eligible unreimbursed medical expenses	Your medical expense deduction may change
Disability Assistance Expenses	Changes certain rules for eligible disability assistance expenses	Your adjusted income may be affected
Childcare Expenses	Changes certain rules concerning the childcare deduction	Your deduction may change depending on your circumstances
Income Reviews	Changes how and when some income changes are reviewed	Your rent may be adjusted differently when your income changes



Is There an Asset Limit?

Yes. HOTMA establishes an asset limitation for Section 8 programs. The statutory amount was established at **\$100,000**, but the amount is subject to annual inflation adjustments. There are also exceptions and exclusions that may apply.

What About Medical Expenses?

HOTMA changes the rules for deducting eligible unreimbursed medical and disability-related expenses. Generally, the threshold for the medical expense deduction is changing to **10% of annual income**, subject to applicable hardship protections and other HUD requirements. If your family has eligible medical or disability-related expenses, keep your receipts, bills, and other documentation and provide them to the Housing Authority when requested.

What About Childcare Expenses?

HOTMA also changes certain rules regarding the childcare expense deduction. If your household has qualifying childcare expenses that allow a family member to work, look for work, or attend school, provide the required information and documentation to the Housing Authority. Certain hardship protections may apply when a family's eligibility for the childcare deduction would otherwise end.

Could My Rent Change?

Yes, it could—but HOTMA does not automatically increase everyone's rent. Your rent is based on your household's circumstances.

What Do I Need to Do?

You should:

- **Report income changes** as required.
- **Report changes in household members** as required.
- **Provide accurate information about your assets.**
- **Keep documentation** for medical, disability-related, childcare, and other allowable expenses.
- **Complete your annual reexamination on time.**
- **Respond promptly** to requests for information or documentation.
- **Read all notices** from the Housing Authority carefully.

You should NOT:

- Hide income or assets.
- Give inaccurate information about your household.
- Allow someone to move into your assisted household without required Housing Authority approval.
- Assume that HOTMA automatically means you will lose your voucher or have a rent increase.

This fact sheet is for general informational purposes.

HOTMA requirements can vary based on a household's individual circumstances, HUD requirements, and Housing Authority policies. If there is a difference between this fact sheet and applicable federal regulations, HUD notices, or Housing Authority policies, the applicable requirements will control.

Effective Date: January 1, 2027