



# Montclair Housing Authority

## Housing Choice Voucher Program

### 2027 HOTMA Resident Fact Sheet: Income Calculation and Reviews

*This fact sheet is for Housing Choice Voucher Program participants. There are new rules on the way income is counted because of a federal law, the Housing Opportunity Through Modernization Act of 2016 (HOTMA). Montclair Housing Authority (MHA) will start using these rules on **January 1, 2027**. This fact sheet is **not official** or required by HUD or your PHA.*

Rules from HUD explain what counts towards your yearly income which is used to figure out your rent. New rules change what money should be **included** and **not included** as part of your income. Once MHA determines your income, they adjust it by taking out the deductions your family qualifies for. **These changes might affect how much rent you pay, or the subsidy amount you receive, it will still be based on 30% of your monthly adjusted income.** Adjusted income is what's left after MHA takes out certain income and costs from your yearly income. In the HCV program, you may pay more than 30% of your monthly adjusted income if the gross rent is higher than MHA's payment standard.

#### Income Calculations

Your family's **income** includes money that your family members who are 18 years old or older make from work (earned income). It also includes money that comes in for any family member, including kids under 18, (unearned income) and income from the assets you own.

Examples of earned income (not included for kids under 18 years old):

- Money from a job like wages, salaries, tips, or other payments.
- Money you make from your own business.
- Money you earn as a day laborer, doing seasonal work, or as an independent contractor.

Examples of unearned income (from all family members):

- Government benefits like Temporary Assistance for Needy Families (TANF), social security, or disability payments.
- Any money you get regularly from a pension or annuity.
- Child support payments.
- Income from assets, such as stocks, bonds, or other financial investments.

In general, all income is **included** in your calculation unless the rules say that it should not be. Examples of common sources of income that are **not included, but still required to report**:

- State or federal tax refunds, credits, or economic stimulus payments.
- Donations like food, clothing, or toiletries from a food bank or similar organization.
- Certain payments that help people with disabilities live at home.
- Financial aid or money for school, including educational savings accounts.
- Money you get for taking care of foster children or foster adults.
- Money earned by children under the age of 18, including foster children.

## Interim Reviews

If your income, or the people who live with you, changes between your yearly reviews, contact MHA immediately. If MHA thinks that your income will change by more than 10% (up **or** down), you **might** have to do an interim review before your next yearly review. (Your PHA might say “reexamination” or “recertification” instead of review).

- **Change in the household:** Always report changes on who is or is not living with you!
- **Income decrease:** An interim review will be done if your income goes down by 10% or more from the amount at your last yearly review.
- **Income increase:** Under the new rules you only need an income review for increases in **unearned income** of 10% or more. You generally do not need an interim review for an increase in **earned income** (including wages, tips, and salary). Instead, an increase in earned income will be counted at the next regular review. **However, you are still required to report the change.**

**Be sure to report any changes in income as soon as they happen.** Reporting on time might mean you pay less rent sooner. If you report on time, you could start paying lower rent the next time the rent is due or 30 days’ notice if you have to pay more. Reporting late could mean you have to back pay the rent increase.



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