**HOTMA TSP Requirements**
**Deadline to Create HOTMA Compliant TSPs - No Later Than 5/31/2024**
**This date has not been extended.**

*Note: For HUD's Multifamily Housing Programs (MFH) owner/agents must have two versions of their TSP – a Pre-HOTMA version and a HOTMA version.*

*While completion of a HOTMA TSP was required no later than May 31, 2024, owner/agents are not to implement the HOTMA TSP until site software is available and implemented.*

*RBD provides both a Pre-HOTMA S8 TSP template, a Pre-HOTMA PRAC TSP template, a HOTMA S8 TSP template and a HOTMA PRAC TSP template that you can use to create your own TSPs. Check out our RBD FASTForms.*

PLEASE NOTE. WHILE A HOTMA COMPLIANT TSP MUST BE AVAILABLE NO LATER THAN 5/31/2024, OWNER/AGENTS MAY NOT IMPLEMENT THE NEW TSP UNTIL SITE SOFTWARE IS AVAILABLE AND HAS BEEN IMPLEMENTED.

## REQUIRED TOPICS INCLUDING HOTMA

All of the topics described in HH 4350.3 Chapter 4, Paragraph 4-4 are still required.

1. **Project Eligibility Requirements**:
   a. Project-specific Eligibility requirements (see Chapter 3, Section 2);
   b. Citizenship Eligibility requirements (see Chapter 3, Section 1); and
   c. Social Security Number Disclosure requirements (see Chapter 3, Section 1); Modified with HOTMA See HSG Notice 2023-10 J.6. Must add option for applicants who do not have adequate documentation to verify the SSN.
      i. Change the penalty for "failure to disclose" SSN as required to termination of assistance (except for PRAC) instead of termination of tenancy Modified with HOTMA See HSG Notice 2023-10 J.6.;
      ii. Change acceptable documentation;
      iii. Change to exceptions for TRACS v 2.0.3.A – add exception for fosters when the foster agency will not provide the SSN.
   d. Eligibility Of Students (see Chapter 3, Sections 1 and 3).
      i. Student Financial Assistance (Section 8 and Non-Section 8) Modified for HOTMA See HSG Notice 2023-10 G.16 Note: Note that student financial assistance is now included when calculating the Assistance Payment for Non-Section 8 programs. Also, treatment of HEA student financial assistance has changed.
2. **Occupancy Standards** (see Chapter 3, Section 2).
3. **Income Limits** (see Chapter 3, Section 1).
   a. Income Targeting – Section 8 only.
4. **Procedures For Accepting Applications And Selecting From The Waiting List**:
   a. Procedures for accepting applications and pre-applications (see Chapter 4, Section 3);
   b. Procedures for applying preferences (including income-targeting in Section 8 properties) (see Chapter 4, Sections 1 and 4);
   c. Policy For Opening And Closing The Waiting List for the property (see Chapter 4, Section 3).
5. **Applicant Screening Criteria** (see Chapter 4, Sections 1 and 4);
   a. Required drug-related or criminal activity criteria including State lifetime sex offender registration in all states where applicant household members have resided or using a database that checks against all state registries, e.g., the Dru Sjodin National Sex Offender Database;
   b. Procedures For Using The EIV Existing Tenant Search;

   c. Other allowable screening criteria.
6. **Procedures For Rejecting Ineligible Applicants** (see Chapter 4, Section 1).
7. **Unit Transfer Policies**, including selection of in-place residents versus applicants from the waiting list when vacancies occur (see Chapter 7, Section 3).
   a. Unit Transfer Preference;
   b. RAM Transfer Preference;
   c. VAWA Emergency Transfer – Internal Transfer (mandatory);
   d. Preference for someone who no longer needs accessibility features of a unit;
   e. In some cases, Split Household Preference.
8. **Fair Housing, Section 504** and other relevant civil rights laws and statutes (see Chapter 2, Section 3).
   a. Policies for applying Violence Against Women Act (VAWA) protections.

With HOTMA, owner/agents must also add new required topics.

1. **Section 8 Asset Restriction – Section 8 Asset Cap – Section 8 Only** (including PBRA RAD and 202/8) New with HOTMA See HSG Notice 2023-10 Attachment A
   a. Reject Section 8 applicants if the net cash value of all family assets exceeds the current Section 8 Asset Cap (2024=$100,000/2025=$103,200/2026=$105,574);
   b. After MI, Non-enforcement;
   c. After MI, Limited Enforcement including the amount of time that an owner/agent will delay the initiation of termination or eviction proceedings for families who do not demonstrate eligibility;
   d. After MI, Enforcement including the amount of time that an owner/agent will delay the initiation of termination proceedings for ineligible families;
   e. After MI, exceptions to Enforcement or Limited Enforcement Policies (if applicable);
2. **Section 8 Asset Restriction – Section 8 Real Property Rule – Section 8 Only** (including PBRA RAD and 202/8) New with HOTMA See HSG Notice 2023-10 Attachment A
   a. Reject Section 8 applicants if any member owns Real Property Suitable for Occupancy as defined under HOTMA;
   b. After MI, Non-enforcement;
   c. After MI, Limited Enforcement including the amount of time that an owner/agent will delay the initiation of termination or eviction proceedings for families who do not demonstrate eligibility;
   d. After MI, Enforcement including the amount of time that an owner/agent will delay the initiation of termination proceedings for ineligible families;
   e. After MI, exceptions to Enforcement or Limited Enforcement Policies (if applicable).
3. **Verification** Modified for HOTMA See HSG Notice 2023-10 Attachment J
   a. Means-tested verification including what to do if multiple means-tested documents are provided; and
   b. New verification hierarchy.
4. **Streamlined Determination of Fixed Income** Not new but Now a TSP Requirement See HSG Notice 2023-10 B.3
5. **Streamlined Verification of Assets** Not New but Modified for HOTMA and Now a TSP Requirement See HSG Notice 2023-10 F.7
   **a.** Whether OA will accept a family's Self-Certification Of Net Family Assets Equal To Or Less Than the Current Threshold (2024=$50,000/2025=$51,600/2026=$52,787) at Admission/Initial Certification;
   **b.** Whether OA will accept a family's Self-Certification Of Net Family Assets Equal To Or Less Than the Current Threshold (2024=$50,000/2025=$51,600/2026=$52,787) at Recertification;
   **c.** While not required, suggested to include information that the passbook rates and Asset Thresholds may change.

6. **Streamlined Certification** Not New but Now a TSP Requirement See HSG Notice 2023-10 I.8
7. **Reimbursement to Tenant for Overpayment of Rent Due to Owner/agent Error Including De Minimis Errors in Income Determinations** New with HOTMA See HSG Notice 2023-10 B.4 & I.7
    a. When caused by owner/agent error, change is retroactive to the Effective Date of the action the error was made, regardless of the dollar amount associated with the error;
    b. When the resident overpaid because the resident failed to report in a timely manner, a retroactive rent decrease may not be applied by the owner/agent prior to the later of the first of the month following:
        i. The date of the change leading to the Interim Recertification of family income; or
        ii. The effective date of the family's most recent certification.
8. **Hardship Exemptions** Modified for HOTMA See HSG Notice 2023-10 C.4 & C.5
    a. General Relief - Financial Hardship Exemption
        i. Definition Of Changes In Circumstances That Are Required For The Family To Be Eligible For The Health And Medical Care Expense And Reasonable Attendant Care & Auxiliary Apparatus Expense Hardship Exemption (Financial Hardship Exemption/General Relief);
        ii. Whether Extensions of The 90-Day Financial Hardship Exemption Period (General Relief) are allowable, and the maximum number of 90-day extensions families may receive (if establishing a maximum policy);
        iii. Resident families must report immediately if their circumstances change and they no longer qualify for the Hardship Exemption.
    b. Phase-in Hardship Exemption
        i. Definition of Phase-in Hardship Exemption
        ii. Whether or not owner/agents will continue Phase-In Relief for new admissions – when the family is receiving the Phased-In Relief at their current assisted housing at the time that the family is admitted to their current unit;
    c. Childcare Hardship Exemption
        i. Definition of changes in circumstances that are required for the family to be eligible for The Childcare Hardship Exemption;
        ii. Whether extensions of the 90-Day Childcare Hardship Exemption Period are allowable, and the maximum number of 90-Day Extensions families may receive (if establishing a maximum policy).
        iii. Resident families must report immediately if their circumstances change and they no longer qualify for the Hardship Exemption.

*Note: Our RBD Section 8 HOTMA TSP Template also includes a description of the Section 8 Minimum Rent Hardship Exemption (Section 8 TSP only). While there is no formal requirement for this Hardship exemption to be described in the TSP, we felt that it was prudent to describe all of the Hardship Exemptions.*

9. **Consent 9887/9887A** –
    a. When the 9887/9887A must be signed
    b. Impact of failure to sign/revoking consent; Modified for HOTMA See HSG Notice 2023-10 J.1 and J.2
    c. Timeframe for signature when a member turns 18.
10. **Interim Recertification** Modified for HOTMA Now a TSP Requirement
    a. When to report a change.
        i. Income changes;
        ii. Family composition changes;
        iii. Other changes.
    b. Timely Reporting Requirements – effective dates of change to rent;

c. Percentage threshold the owner/agent will use for conducting Interim Recertification for decreases in a family's Annual Adjusted Income – may not be greater than 10% (HUD default) and may not be a dollar amount (required);
d. Whether or not the owner/agent will create an IR if a family reports an Annual Adjusted Income (AAI) increase within three months of their next Annual Recertification Effective Date;
e. Earned and unearned income increases.
    i. No IR will be created for an <u>earned income</u> increase unless an AAI decrease has been submitted since the last AR; or
    ii. OA will not create an IR for an <u>earned income</u> increase until next AR.