


RBD FASTFACTS—APPLYING THE 2025 COLA TO SOCIAL SECURITY BENEFITS

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PROJECTING INCOME

The requirements for determining whether a family is eligible for assistance, and the amount of rent the family will pay, require the owner/agent to project or estimate the Annual Income that the family expects to receive. There are several ways to make this projection. The following are acceptable methods for calculating the Annual Income anticipated for the coming year:

1. *Generally, the owner must use current circumstances to anticipate income. The owner calculates projected annual income by annualizing current income. Income that may not last for a full 12 months (e.g., unemployment compensation) should be calculated assuming current circumstances will last a full 12 months. If changes occur later in the year, an interim recertification can be conducted to change the family's rent.*
2. *If information is available on changes expected to occur during the year, use that information to determine the total anticipated income from all known sources during the year.*

THE HOUSING OPPORTUNITY THROUGH MODERNIZATION ACT (HOTMA)

In September 2023, HUD released HSG Notice 2023-10 [Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 \(HOTMA\)](#).

This notice was revised and re-released in February 2024.

In October 2024, HUD released HSG Notice 2024-09 [Revised Compliance Date: Implementation of Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 \(HOTMA\)](#) further delaying the deadline to implement HOTMA to July 1, 2025.

ANNUAL RECERTIFICATIONS EFFECTIVE BEFORE 4/1/2025

Until owner/agents implement HOTMA, owner/agents may continue to use guidance provided in HH 4350.3 Change 4 Paragraph 9-6.

When processing recertifications with an effective date of January 1, February 1, March 1 and April 1, in order to complete the Recertification Steps outlined in Chapter 7, Figure 7-3, and provide the tenant with the required 30-day notice of any increase in rent, the owner must use one of the methods below for determining the tenant's income.

1. *Use the benefit information reported in EIV that does not include the COLA as third party verification as long as the tenant confirms that the income data in EIV is what he/she is receiving;*
2. *Use the SSA benefit, award letter or Proof of Income Letter provided by the tenant that includes the COLA adjustment if the date of the letter is within 120 days from the date of receipt by the owner;*
3. *(Streamlined Determination of Fixed Income) - Determine the tenant's income by applying the COLA increase percentage to the current verified benefit amount and document the tenant file with how the tenant's income was determined; or*
4. *Request third party verification directly from SSA when the income in EIV does not agree with the income the tenant reports he/she is receiving. (See [Paragraph 9-15](#))*
5. *All recertifications effective after April 1 must reflect the SSA benefit that includes the COLA.*

If owner/agents wish to Streamline Determination of Fixed Income and when Fixed Income was verified in 2023 and/or 2024, owner/agents may use the EIV Income Report or the award letter and apply the COLA increase.

RBD FASTFacts—Applying the 2025 COLA to Social Security Benefits

When reviewing the sample EIV Income Report below, note that Huxley Hill's Annual Recertification is due in March 2025. His 2024 Social Security Benefit amount is \$1,360.00

When applying the COLA, first print out the SS COLA Fact Sheet and attach it to the EIV Income Report. Then calculate the new 2025 SS Income.

1. $1,630.00 + 2.5\% = \$1670.75$
2. $1670.75 * 12 = \$20,049.00$
3. SS Income for the 3/2025 AR = \$20,049.00

Summary Report	Income Report	Income Discrepancy Report	Certification Page
Wage and Benefit Report for Household of HUXLEY HILL			
Contract Number	GA111111111	Subsidy Type	Section 8
Project:	MAGNOLIA GARDENS	Project Number	
Next Re-certification Date	03/01/2025	Form 50059 as of:	02/30/2024
Address:	1 MAGNOLIA LANE, MAGNOLIA, GA 33333		
Most Recent Type of Action:	AR-Annual Recertification	Effective Date:	03/01/2024
Head of Household: HUXLEY HILL			
Social Security Number:	***_**-1111	Date of Birth:	XX/XX/1955

Household Member:	HUXLEY HILL	SSN:	***_**-1111	
Date of Birth:	XX/XX/1955	Relationship:	Head of Household	
Employment Information				
EIV received no Employment (W4) data.				
Wages				
Pay Period	Amount	FEIN	Employer Name and Address	Date Received by EIV
Q3 of 2022	\$54.00		LABOR READY PO BOX 2910, MAGNOLIA, GA 33333	02/27/2023
Q2 of 2022	\$63.00		LABOR READY PO BOX 2910, MAGNOLIA, GA 33333	02/27/2023
Q3 of 2021	\$3,084.00		LABOR READY PO BOX 2910, MAGNOLIA, GA 33333	10/09/2022
Unemployment Benefits				
EIV received no benefit data.				
Social Security Benefits				
Verification Data		Benefit History		
Payment Status Code:	C - Current payment status (except railroad payment)	Date	Gross Benefit	
Date of Current Entitlement:	04/2022	12/2023	\$1,630.00 Benefits paid	
Net Monthly Benefit if Payable:	\$1,630.00	12/2022	\$1,500.00 Benefits paid	
Payee Name and Address:	HUXLEY HILL 1 MAGNOLIA LANE APT 202 MAGNOLIA, GA 33333	Lump Sum Date	Amount	
		03/01/2024	\$0.00	
Date Received by EIV: 06-NOV-24				
Dual Entitlement				
EIV received no benefit data.				
Medicare Data				

Fictitious data for illustration purposes only.

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MOVE-INS & INITIAL CERTIFICATIONS EFFECTIVE BEFORE 1/1/2025

For Move-ins, Initial Certifications, owner/agents usually prorate the COLA increase. When there is LIHTC funding, this is usually required by the state agency. Owner/agents who do not have LIHTC funding may opt to prorate the COLA increase solely because the owner/agent has established a policy to do so.

This means owner/agents will use the current benefit amount for the remainder of 2024 and owner/agents will incorporate the COLA increase for 2025. For example, let's look at a Move-in transaction effective on November 1, 2024.

Nancy New's 2024 SSA Benefit (\$1,132.24) is verified using the 2024 Award Letter. Because the award letter includes cents, the income for November 2024 and December 2024 will be calculated using cents. *Please note this is true even if the actual award does not include cents.*

The appropriate COLA Fact Sheet showing the COLA increase must be attached to the award letter showing the current award amount.

An award letter or a printout showing the 2025 COLA is also acceptable documentation.

Nov-24	\$1,132.24			
Dec-24	\$1,132.24			
		New Benefit Amount	1132.24 + 2.5%	28.31
Jan-25	\$1,160.55			
Feb-25	\$1,160.55			
Mar-25	\$1,160.55			
Apr-25	\$1,160.55			
May-25	\$1,160.55			
Jun-25	\$1,160.55			
Jul-25	\$1,160.55			
Aug-25	\$1,160.55			
Sep-25	\$1,160.55			
Oct-25	\$1,160.55			
Total	\$13,869.98	This is where the value is rounded.		
SS Income for MI	\$13,870.00			

HOTMA, EIV, SSA AND COLA INCREASES

HOTMA changes owner/agents' use of EIV to verify Social Security Income - especially for those residents who have ARs effective between January and April.

In HSG Notice 2023-10 [Implementation Guidance: Sections 102 and 104 of the Housing Opportunity Through Modernization Act of 2016 \(HOTMA\)](#), Effective when HOTMA compliant site software is available and implemented, HUD indicates that owner/agents will no longer use guidance provided in HH 4350.3 Paragraph 9-6.

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Paragraph B-3 of Housing Notice 2023-10, HUD provides new instruction:

Effective the day after SSA has announced the COLA, PHAs/MFH Owners are required to factor in the COLA when determining SS and SSI annual income for all Annual Recertification and Interim Recertifications that have not yet been completed and will be effective January 1 or later of the upcoming year.

Owner/agents must apply any announced COLA:

- ✧ The day after the COLA increase is announced;
- ✧ To incomplete certifications effective on **January 1** or later.

For 2025, the COLA increase is 2.5%.

Since implementation of HOTMA has been delayed, it is not mandatory to implement this change for 2025 certifications.

With the change to the deadline to implement HOTMA (when HOTMA compliant site software is available and implemented), it is mandatory that this change is applied to 2026 certifications unless HUD issues alternative guidance.